



Daily Report

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NOTICE TO READERS: An * indicates material not previously disseminated in electronic form.

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General

Envoy Asserts Readiness To Discuss Human Rights

OW0702060792 Beijing XINHUA in English
0554 GMT 7 Feb 92

[Text] Geneva, February 6 (XINHUA)—There exists no "violation of human rights" in the present-day Tibet and the so-called "Tibetan issue" is invented by a handful of Tibetan separatists who have distorted the realities.

The remarks were made today by Ambassador Fan Guoxiang, China's representative to the United Nations office in Geneva and leader of the Chinese delegation to the conference of the U.N. human rights committee, in an interview with Finnish broadcasting company reporter Eva Vikstear.

Ambassador Fan pointed out that the life of the Tibetan people has been greatly improved with their political and social rights guaranteed and respected.

He said that however, some Tibetan separatists tried to present "the Tibetan issue" to the human rights committee in an attempt to internationalized the matter which is entirely an internal affair of China.

He added that any decision of the human rights committee will inevitably meddle in China's internal affairs.

Asked whether China will continue to hold dialogues with the West on human rights, the ambassador said that China is ready to discuss formally or informally with any foreign countries on the human rights issue.

Quayle Opens Embassies in Estonia, Latvia

OW0702103892 Beijing XINHUA in English
1022 GMT 7 Feb 92

[Text] Helsinki, February 6 (XINHUA)—United States Vice-President Dan Quayle Thursday made a brief tour of Estonia and Latvia and presided over the ceremonies for opening the U.S. Embassies in the two former Soviet republics.

In Tallinn, capital of Estonia, Quayle held talks with Estonian President Arnold Ruutel, Prime Minister Tiiu Vahi and Foreign Minister Lennart Meri on U.S.-Estonian economic relations, U.S. grant of the most-favored-nation status to Estonia and the former Soviet armed forces' withdrawal from there.

Pledging that the United States will continue to extend economic assistance to the three Baltic states of Estonia, Latvia and Lithuania, Quayle declared another aid of 18 million U.S. dollars to the three countries.

During Quayle's visit, the United States also provided Estonia with 15 tons of medicines in aid.

Vahi told reporters after talks with Quayle that if a country still has foreign troops stationed on its soil, the independence of the country cannot be real and cannot last either.

In his visit to Latvia, Quayle met with Latvian leaders on U.S. economic aid and the former Soviet Army's pullout from the republic.

Quayle returned here late Thursday. He is scheduled to visit Lithuania on Friday.

Yeltsin Pledges Nuclear Disarmament in Paris

OW0702082592 Beijing XINHUA in English
0807 GMT 7 Feb 92

[Text] Paris, February 6 (XINHUA)—Visiting Russian President Boris Yeltsin today pledged Russia would actively implement a nuclear reduction policy.

During his meeting with French Foreign Minister Roland Dumas, Yeltsin pledged that tactical nuclear weapons in other former Soviet Republics would be on Russian soil before July 1.

Yeltsin, who is on a three-day state visit to France, said during a reception at Paris city hall that Russia was prepared to cut its arsenal of nuclear warheads from 12,000 to 2,500.

This number would be the minimum defense for Russia, Yeltsin said.

Last week, United States President George Bush proposed that the United States and Russia respectively cut their nuclear warheads to 4,700.

In addition to the commitment to cut nuclear warheads to 2,500, Yeltsin urged France, Britain and China to make efforts in nuclear disarmament.

France refused to cut its nuclear arsenal before the United States and the former Soviet Republics dramatically reduced their nuclear weapons.

While expressing his respect for the French position, Yeltsin hoped that France would stop expanding its nuclear arsenal while Russia cut back and destroyed its nuclear weapons.

Paper Views International Situation in 1991

OW0602135192 Beijing BAN YUE TAN in Chinese
25 Dec 91 p 16-20

[“Year-End review” by unidentified BAN YUE TAN reporter: “A Year of Drastic Changes in International Situation”]

[Text] The international situation underwent drastic changes in 1991. Two major events shocked the world—namely the 42-day Gulf war and the drastic change within the Soviet Union following the “19 August” incident. These two major events influenced the course

of world history—but the impact on and shift in the world caused by the drastic change in the Soviet Union far exceeds the influence in both depth and breadth caused by the Gulf war and the changes in East Europe.

The Soviet Union Lost Its Superpower Status, and the Bipolar System of the United States and the Soviet Union Totally Collapsed

For nearly half a century after the end of World War II, the two superpowers—the United States and the Soviet Union—contended for world domination and were a restraining influence on each other. They occupied decisive positions in the world, which was characterized by the bipolar pattern. The contention between the two superpowers could be seen in the confrontation between the two major military groups in Europe as well as in other regional conflicts.

Although the Gulf war did not last long, the number of participating countries, the powerful forces, and the advanced weapons were rarely seen since the end of the World War II. It was called "a half world war." The outcome of the war was the disastrous defeat of Iraq and the victory of the allied forces, led by the United States. International public opinion held that, during the Gulf war, the Soviet Union, due to its weakening national strength, gave up its usual practice of contention with the United States and thus lost its role as a superpower. Contrarily, the United States has enhanced its influence and position in the world through this war and now claims it has become "the sole superpower."

After the "19 August" incident, the situation in the Soviet Union took a sudden turn, then developed rapidly. The CPSU crumbled, the economy of the Soviet Union was on the verge of total collapse, and the union disintegrated. After the three Baltic states broke away from the Soviet Union, the Ukraine decided to declare its independence and reached an agreement with Russia and Belarus on establishing a "Commonwealth of Independent States." They declared that the Union of Soviet Socialist Republics "no longer exists." President Yeltsin of Russia openly announced that the new union plan designed by Soviet President Gorbachev had ended in failure, and that various republics should establish a "Commonwealth of Independent States." He emphatically said that the commonwealth should not have a center [zhong yang 0022 1135], and that any attempt to maintain a center would lead to the "rebirth" of the old system of the Soviet Union.

In the course of these drastic changes, the political situation of the Soviet Union became all the more unstable, and the economic crisis became more serious. Its national strength further weakened. Gorbachev recently said in public that the Soviet economy was in the depth of a disaster and would need massive aid from the West to tide over difficulties. It has been learned that the foreign debts of the Soviet Union were as large as US\$120 billion, and that it was unable to repay the debts. Amid the present deep crisis, the Soviet Union

further tilted its foreign policy in favor of the West in order to seek economic aid. Public opinion in the Soviet Union indicated that the Soviet Union has declined from its former position of being a superpower, and sitting as equals at the same table with the United States, to a "supporting role" for the U.S. international strategy. This signifies the total collapse of the bipolar pattern.

Two Different Views on What Type of New Order To Build Have Emerged in the World

The world has entered a transitional period in which a new structure is replacing the old one. The question—what type of new international order we should build—has become a real and urgent issue facing peoples of all nations.

The United States, which considers itself the only superpower, attempts to monopolize the world and build a "new world order" in which it will be the leader or the leader of an alliance. It is impossible for today's world, however, to evolve from a bipolar system into a "unipolar world" monopolized by the United States.

The issue of the "new world order" was the most attractive subject at the 46th UN General Assembly [UNGA] this year. In their statements delivered during the usual sessions of debate at the three-week-long general assembly, 162 representatives of nations, including heads of states of 24 countries, emphasized the necessity and importance of building a new world order under the present international situation, which is changing rapidly. But then, what type of new international order should we build? Two opposing views have clearly emerged during the meeting.

The first is the new world order concept proposed by the United States: A "free world" stretching from "west to east and north to south," which is to be built with the United States as the leader of an alliance with other developed Western nations and based on Western "value concepts and ideals."

The other is the new world order proposed by the vast number of developing nations. In their speeches, representatives of these countries generally held the opinion that we should build in the diversified world of today a "just, rational, and equal" new world order whose very basic tenets are to respect individual cultures and value concepts of peoples of all nations, to respect the right of each country to choose any political system or economic structure to suit its own national condition, to respect the sovereignty and territorial integrity of each nation, and to enable all nations—big or small, rich or poor, strong or weak—to have equal participation in international affairs and to speak with equal right. In his speech at the UNGA, the PRC representative said: The construction of a peaceful, steady, just, and rational new world order should be based on the Five Principles of Peaceful Coexistence, as this accords with the aims and principles of the UN Charter and reflects the nature and characteristics of new international relations.

Even insightful people in the United States hold different views about the U.S. plot to monopolize the world. Alexander Haig, former U.S. Secretary of State, believes that it is completely wrong to assert that the United States is the only superpower. He said: From the military perspective, the United States is still a superpower. Economics, however—not bloodshed or conflict—is or will be the dominant force in the world today or in the future. At present, a U.S.-European-Japanese tripolar force occupies the world economic arena. The U.S. position has continued to weaken comparatively while the positions of Western Europe and Japan have grown stronger. People are of the opinion that the five core powers comprising the United States, USSR, Europe, Japan, and China will emerge on the political scene. We should see that, even if the USSR were to disintegrate completely, every union republic were to declare independence, and the RSFSR alone was left, USSR would still be a major power possessing a vast territory, a large population, abundant natural resources, formidable military strength, and considerable economic potential, and it could still become one of the poles of the international system.

Loss of Equilibrium in the Balance of World Powers Leads to Violent Upheavals and Conflicts in Some Regions

Over the past year, the international situation became complicated, volatile, turbulent, and uncertain following the disintegration of the bipolar structure and the loss of equilibrium in the balance of world powers. Situation in some areas had eased but in others local unrest was detected.

Changes in U.S.-Soviet relations and the USSR's retreat from international affairs saw the gradual disappearance of scenes where the United States and USSR competed with one another in regional conflicts, and this has facilitated efforts to ease and find a solution to regional conflicts. The concerned parties signed a Cambodian peace agreement in Paris on 23 October 1991 to end the Cambodian war which had lasted for 13 years, thereby eliminating a hot spot from the Southeast Asian region. In southern Africa, the Angolan Government and the Angolan Alliance [as received] finally signed a peace agreement after fighting a 16-year-long civil war, and progress was also being made in finding a political solution for the South African issue. The current UNGA session also simultaneously admitted both North and South Korea as UN member nations, thus helping to ease and stabilize the situation on the Korean peninsula.

The tendencies of unrest and instability are caused mainly by imbalance among world powers. Various contradictions and conflicts formerly covered up by the contention between the United States and the Soviet Union have now become conspicuous. In addition, new confusion, contradictions, and conflicts have emerged. Following the Gulf war, civil wars broke out successively in Somalia, Ethiopia, Rwanda, Mozambique, and

Angola; coups occurred in Mali, Lesotho, Nigeria, Madagascar, and Haiti; disturbances broke out in Zaire and Togo; and border conflicts occurred between Uganda and Kenya, between Liberia and Sierra Leone, and between India and Pakistan.

The most eye-catching thing is that the unstable situation in the Soviet Union and some East European countries may generate new hot spots. Since June 1991, the internal disorder in Yugoslavia has developed into a civil war. Thousands of people were killed or wounded and large numbers of refugees were forced to leave Yugoslavia for the West. In spite of repeated efforts to mediate between the conflicting sides by the West and the international community, the situation is still grim. The drastic change in the Soviet Union and the disintegration of the union system have made Western countries extremely uneasy. Their worry is: Who will grab and control the massive nuclear weapons of the Soviet Union? If those weapons are out of control, it will bring serious threat and danger to Europe or even to the entire world. Besides, following the announcement of independence by various republics of the Soviet Union, conflicts between people of different nationalities have aggravated. This may lead to a civil war and cause an exodus of refugees.

After the Disappearance of Contention Between the United States and the Soviet Union, Contradictions Among the Western Countries Have Escalated

After the disappearance of contention between the United States and the Soviet Union, the contradictions among Western powers have been escalating. Those contradictions are mainly seen in their contention for a leading position in the new order and their struggle to gain markets for their products.

On the issue of contending for a leading position in the new order, the Western powers wrestled in two areas. First, the United States, Europe, and Japan have struggled to gain a leading position in the new world order. The focal point is whether it should be a "unipolar" world dominated by the United States or a "tripolar" world dominated jointly by the United States, Europe, and Japan. The United States holds that the future new world order should be led by the United States. French President Mitterrand declared that the United States must not impose "peace under its domination" upon other countries. Japanese leaders claimed that "the new world order must be formed and guided by the tripolar setup led by Japan, the United States, and Europe."

Second, the focus of contention between the United States and Europe for leadership in Europe's new order lies in whether it should be "the Europe for Europeans" or "the Europe for Yankees." Wishing to retain its presence and leadership in Europe through the NATO, the United States considers NATO the backbone of the blueprint for a new Europe and believes that the EC and the CSCE can only play the secondary and supplementary role and cannot become NATO's rival, much less its

replacement. Based on such considerations, the blueprint for the new Europe designed by the United States aims to establish a "European - Atlantic community" from Vancouver to Vladivostok on the basis of the Western value concept, while NATO will be the "cornerstone" of this Pan Atlantic community. The west European countries, however, are doing all they can to ensure that the EC plays a key role in forming a new order in Europe, maintaining that the EC should be the nucleus for European reunification and the United States should no longer assume a leadership role.

The following manifestations have emerged in the contention for markets and the economic rivalry of the United States, Europe, and Japan: First, the economic rivalry of the United States, Europe, and Japan has become more obvious and on a global scale; while the economic war between economic superpowers (blocs) has the tendency of replacing the cold war between the previous nuclear superpowers. Second, the dispute between free trade and protectionism has developed from a common trade war to a protracted confrontation endangering the entire multilateral trade system. The "Uruguay Round," which was started in 1988 and scheduled to be concluded before the end of 1990, is in a stalemate today, because the United States, Europe, and Japan have failed to make concessions over the issue of subsidies for farm products. Third, economic rivalry of the Western countries has escalated from competition between two countries to confrontation between regional blocs. The United States, Europe, and Japan are confronting one another by building and strengthening their respective economic blocs. This shows that the tension in their economic relations has reached a new height.

Poverty of the Developing Countries Has Aggravated; North-South Contradictions Have Become More Conspicuous

A major trend of the contemporary world is the widening gap between the North and the South, with rich countries becoming richer and poor countries becoming poorer.

Since the early 1990's, because of the continued development of regional economic blocs in the world and prevailing trade protectionism by the developed countries, the developing countries have been confronted with an ever worsening economic environment and trade conditions. According to the latest information released by the GATT, the number of non-tariff barriers has increased from 850 to more than 1,000. The 1991 report of the UN Development Program points out that due to trade protectionism, the developing countries are bound to lose a total of about \$100 billion in farm products and \$50 billion in textiles annually.

Meanwhile, the developing countries have become more and more heavily in debt. According to a report by the World Bank, as of the end of 1990, the developing countries' debts totaled \$1,341 billion, with the annual payment for principal and interest exceeding \$130 billion. Of the 111 developing countries, the number of

debtor nations has increased from 55 before 1989 to 85 today, and of heavy debtor nations, from 15 in the mid-1980's to 21. It is difficult to reverse the flow of global capital from the developing to the developed countries. In 1990 alone, a net amount of \$60 billion made its way to the developed countries. Because of the drastic changes in the Soviet and Eastern European situation and the impact of the Gulf war, loans from the developed countries and some international monetary organizations are extended under harsher terms than before and, in some cases, attached with political conditions. As a result, many developing countries, which are already short of funds, have entered a vicious cycle of borrowing new debts to repay the old, thus weakening their capability to repay loans.

Because of the aforesaid problems, the economic recession in the Western countries and the impact of the Gulf war, many developing countries are continuing to experience economic decline. According to the "World Economic Outlook," a report prepared by the IMF in May 1991, the developing countries' economic growth rate was 0.6 and 0.8 percent in 1990 and 1991 respectively. The figures are not only lagging far behind those of the developed countries but also lower than the population growth rates of the developing countries. The report predicts that the 1992 per capita GNP of the developing countries in Africa can only be maintained at the same level as 20 years ago. According to another report by the UN Economic Commission for Latin America, the 1990 per capita GNP of the Latin American countries had regressed to the level of 14 years ago, and an increase will be unlikely in the future.

The poverty problem has become increasingly serious in the developing countries. According to information released by the International Bank for Reconstruction and Development, one-third of the population in the developing countries (excluding China)—about 1 billion—is living in poverty. Regionwise, one-half of the poverty-stricken people live in the developing countries in South and Southeast Asia, one-third in Africa south of the Sahara, and one-tenth in Latin America and the Caribbean. The problem is especially serious in southern Africa, where drought, war, destruction of the natural environment, and other factors have caused poor harvests for many consecutive years and threatened the masses of people with starvation. The UN Food and Agriculture Organization has estimated that if the current trend continues to develop, more people in the developing countries will face the problem of food shortage by the year 2000.

At present, the old global structure has been broken and the development of a multi-polar global structure is accelerating. The international situation is intricate and changeable with many unpredictable factors. Laden with a multitude of contradictions, a turbulent and volatile world will enter the year 1992.

Central Eurasia

CPC Internal Documents View USSR Changes

HK2701120092 Hong Kong TANGTAI in Chinese
No 10, 15 Jan 92 pp 41-52

[Article by He Po-shih (0149 0130 2457): "What Does CPC Say Internally in Wake of Changing Situation in Soviet Union?"; first two paragraphs are TANGTAI editor's note]

[Text] The CPC has stressed that there should be a "distinction between internal and external" expression of its position on the changes in the Soviet Union: one position externally and another internally. What exactly does the CPC say internally? What is the CPC's real position on the changing situation? As this is a subject of general concern, this journal has decided to offer the readers some internal CPC documents on this issue. Because of limited space, only the "countermeasures" will be published in full. The excerpts here are taken from two different documents.

Document One is the minutes of a 28 August emergency CPC Central Committee Political Bureau meeting following the failure of the "19 August" coup d'état in the Soviet Union. It was verbally transmitted by the State Council to all central ministries and commissions on 29 August and then published as a document (known henceforth as "document one"). The other is a "study material" edited and distributed by the CPC Central Committee for the purpose of "educating the entire party" (known henceforth as "document two"); it was distributed on 23 September. Subheads are supplied by this journal.

The dramatic changes in the Soviet Union immensely troubled the CPC and the latter drew up a series of countermeasures specifically on this issue. One countermeasure was the so-called "distinction between internal and external positions": In other words, one version is given externally (that is, changes in the Soviet Union are its internal affairs and China does not interfere in the domestic affairs of the Soviet Union), while another version is given internally. It is very obvious that the external version is merely superficial, while the internal one really reflects the CPC's stance. What exactly does the CPC say internally? This is a subject of popular concern. Two documents issued by the CPC Central Committee following the failure of the "19 August" coup in the Soviet Union are published here to give one an idea of the CPC's real attitude. First. The CPC admits that it was secretly delighted with the coup in the Soviet Union.

In the three days of the coup's collapse, the CPC experienced "three days of hope and disappointment." "Document one" stated: "After hearing the TASS statement, we were very happy and thought, It has finally happened. The reason was that everyone had been very distressed to see Gorbachev turn a fine socialist country into such a state. Before the coup, we had had internal discussions

and felt pessimistic, seeing that the transformation of the Soviet Union was irreversible. However, just as we were in great despair, events took a turn for the better. Hence, many comrades were delighted when they heard the news." However, because the CPC's coverage policy at that time was to "refrain from being visibly pleased," when the coup fell, they could rejoice that "so far, they do not have a handle against us." A picture of swings from joy to despair can be glimpsed from the document.

Because the CPC basically supported and approved of the coup d'état, and the word "coup" is generally a derogatory term, the CPC Central Committee ruled that this event may only be described as the "19 August incident" and not a "coup d'état." "Document one" stated: "Our official description is 'incident'...official statements to the outside world should follow the central directive." Such strict regulation on the wording is ample proof of the CPC authorities' touchiness on the Soviet coup.

Consequently, the Soviet coup's failure is even more bitterly painful to the CPC than to the Soviets. From its choice of words and phrases in the "document," readers can see the CPC's "indignation." For instance:

—Speaking on the lack of leadership in the coup, "document one" said: "They should have arrested Yeltsin immediately!" It adds: "It is very regrettable that a fine opportunity was lost...because of the lack of leadership and poor quality of the coup."

—Speaking on discord among the coup participants, particularly when Premier Pavlov claimed to be ill, "document one" said: "Even if he did fall ill at this time, it should not have been reported because it shook the Army's morale!" Second. Based on the CPC's assessment of the Soviet coup's failure, we should alert people more to some basic characteristics of the CPC.

1. Its basic nature of brutality.

"Document one" said: "Gorbachev's democratic and humanitarian ideas have seriously infected people from all aspects of the party, government, and military over the years, prompting them not to dare to use force nor to cause bloodshed. It should be understood that class struggle is one of life and death, an idea that they obviously lack. Indeed, China's Mao Zedong is great because he saw through this problem thoroughly.... Now, let us recall the quelling of the rebellion on 4 June 1989. If we had not taken such decisive measures, what would have been the scenario?" This state of mind of the CPC is one which goes against the progressive trend of "democracy and humanitarianism." People should be fully prepared for this psychologically.

2. Its basic nature of illegality.

The CPC's total disregard of the law is also revealed here. Speaking on the Soviet coup leaders' attempt to "rationalize" their actions through legal procedures,

"document one" criticized the coup leaders for "stubbornly emphasizing the legal procedure." On the CPSU deputy general secretary's request to see Gorbachev for fear of not being able to account for himself before the CPSU membership, "document one" wrote angrily: "You know very well that Gorbachev was already under house arrest. For what purpose do you want to see him? If you had guts at that time, you should have issued a statement declaring your support for the state of emergency committee."

3. Its basic nature of dictatorship.

The CPC very much disapproved the Soviet coup leaders' failure to totally control the media. "Document one" remarked sarcastically: "Were there no scholars and fast news writers among those who took part in the coup?" It added: This is also a lesson for all other socialist states. To stop turmoil and prevent counterrevolutionaries from seizing power, it is absolutely necessary to ensure that the tools of mass media are held in the hands of people genuinely loyal to Marxism."

In other words, even though the CPC has undergone more than a decade of reform and opening up, this clique which abides by the gospel of "class struggle" has not changed its basic color. This is seen clearly from its reaction to the Soviet coup's failure. People should be alert to this. **Third. The Document Revealed an Important Piece of Information: Not Long Before the Coup Was Launched, Soviet Military Members Who Took Part in the Coup Did Indeed Express Their Willingness To "Close Ranks" With the CPC Military.**

"Document one" said: "On 1 August this year (note: Communist China's Army Day), a reception was held at our embassy in the Soviet Union with an unprecedented number of guests from the Soviet Union in attendance. Some 300 marshals and generals headed by Defense Minister Yazov came to our embassy; this was unprecedented. The U.S. military attache in the Soviet Union, himself a general, was startled when he saw this.... At that time, Yazov even said to us: I wanted to show these Americans. As long as the armies of the Soviet Union and China close ranks, there is hope for world peace. He sounded like he had style, but then after the coup was initiated, he took a long time to show his face." The possibility of an alliance between the conservatives of China and the Soviet Union was already raised in this journal last year and the world should be alert to such a possibility (See TANGTAI No 57, 29 December 1990). Judging from the revelations made in "document one," the Soviet conservatives wanted to solicit the support of the CPC's conservative faction. Because the conservatives in both China and the Soviet Union did have plans to forge an alliance, it is understandable that the CPC was devastated by the coup's failure. Indeed, it is a case of "defeat in the Soviet Union and pain in the CPC." This also explains the CPC's raging fury whenever it talks about the coup's failure. **Fourth. Gorbachev Is Named in Internal Criticisms.**

"Document one" said: "When the CPSU Central Committee decided to introduce a multiparty system and political pluralism in February last year, our party central committee issued a document to the entire party that pointed out that the so-called new thinking and democratic socialism initiated by Gorbachev was in fact another version of the Second Comintern's social democracy appearing under new, modern conditions. In fact, it repudiates class struggle on a worldwide scale, changes the character of the communist party, and accepts the West's parliamentary democracy. Gorbachev's reform is not the self-perfection of socialism, but a peaceful evolution toward capitalism. This outcome has already been borne out completely by facts."

In criticizing Gorbachev, "document two" specifically listed his five crimes:

1. Careerist and opportunist Gorbachev took over CPSU leadership and betrayed the fundamental principles of Marxism.
2. He completely repudiated the history of the CPSU, causing it to abandon its predominance and eventually lose its ruling position.
3. He initiated a "multiparty system" and "separation of the three branches of power," and abandoned the dictatorship of the proletariat, thus laying down the conditions for the seizure of power by anticomunist and antisocialist forces.
4. His reform deviated from the socialist direction and gradually evolved toward the capitalist system.
5. Anticomunist forces both at home and abroad connived with each other to step up infiltration and peaceful evolution. **Fifth. Yeltsin Is Villified.**

In "document one," the CPC described him as an "adventurous henchman in the restoration of capitalism and leading representative of rightwing forces," while "document two" called him the leader of the "anticommunist, antisocialist" clique. In short, he is attacked in very vicious language. For instance: "At the moment, Yeltsin is dizzy with success and insufferably arrogant. He has shown his hand and is engaging in fascist terrorism. This will only end in the people of the Soviet Union, especially Communist Party members, being mobilized to oppose him." Furthermore, the document cited many incidents to prove that Yeltsin will be toppled sooner or later.

CPC's Attitude on Soviet Incident

What should we do and how should we look at the "19 August incident" in the Soviet Union? I myself have spoken on the three points mentioned above. They do not have to be correct. What should be done? First of all, in my opinion, under the current situation, we, the CPC, should deal with the matter calmly, exploit the benefits while avoiding the pitfalls; second, we should seriously sum up the lessons and experiences of the Soviet Union's

"19 August" incident by fully using the negative examples which may serve as lessons as provided by villains like Yeltsin; third, we should plant our feet firmly in the country and perform our work well to boost the strength as well as material foundation to oppose peaceful evolution. An international united front "against peaceful evolution" should be forged.

First, deal with the matter calmly, exploit the benefits and avoid pitfalls.

I believe that this is the correct guideline at present. Last year, the following policy was drawn up by our central authorities on the situation in the Soviet Union and East Europe: "Make cool observations, deal with the matter calmly, maintain composure, and keep a low profile." This strategy is undoubtedly a correct one. Yesterday, I heard some comrades from Beijing's institutes of higher learning say that certain cadres and party members below do not seem to understand the "low profile" proposed by our central authorities. At a time when Western monopoly bourgeois hostile forces are vigorously clamoring for peaceful evolution, when Yeltsin is butchering the Communist Party, and anticommunist, antisocialist forces are running rampant in the Soviet Union, we should not be keeping a low profile, but should oppose them with a clear-cut stand. While this motive and idea is not without merit and is understandable, I think that given the current situation, it is best to adhere to the central guideline and strategy. Why? The main reason is that we want to secure an international environment which is favorable to our modernization endeavors and to our reform and opening up. This is demanded by our national interests. Now that they have acquired East Europe and in view of the rapid evolution of the Soviet Union, Western hostile forces are now gradually directing their spearhead at China. They are doing so with a daring swiftness and overbearing aggressiveness; hence the struggle against peaceful evolution can afford no delay. To counter effectively the peaceful evolution conspiracy of the Western hostile forces, we should forge the broadest international united front by uniting all forces that can be united in the world and exploiting the conflicts between the United States and the Soviet Union, between the United States and East Europe, and between the United States and West Europe. Win the sympathy and support of the great majority of people—this is the requirement of a very lofty strategic thinking.

To oppose peaceful evolution by the West, we definitely have to unite all the forces that can be united, and these include East Europe and the Soviet Union. This is a very powerful strategic thinking. The central authorities proposed that if we are to establish new international political and economic orders as well as a new political-economic order, then we have to implement the five principles on peaceful coexistence. The core of these principles was repeatedly underscored by General Jiang Zemin when he met with foreign visitors a few days ago. It is: nonintervention in other countries' domestic affairs. This proposal is very popular and has won

extensive support around the world. Now that East Europe has been overcome by peaceful evolution, we should discuss this issue thoroughly among ourselves; but, on official occasions, we do not comment about it, but rather, we respect the choices made by the people of these countries. On 20 August, the day after the coup was launched, our Foreign Ministry spokesman made a statement. On 22 August, when the "coup" failed, Foreign Minister Qian Qichen met with the Soviet ambassador. On both occasions, they spoke of China's continuing adherence to the five principles on peaceful evolution. What happens in the Soviet Union is the domestic affair of the Soviet Union. The Chinese people and Government respect the choices made by the people of the Soviet Union. Sino-Soviet relations will not be affected. I think these statements were impeccable. I say so when you have your "coup" and I say the same thing after the "coup" has collapsed. It is our intention to maintain stability inside our country as well as to push Sino-Soviet relations toward stability. Two kinds of attitudes toward Yeltsin.

China and the Soviet Union are close neighbors sharing a 7,000 km-long frontier line. Even if Yeltsin is very reactionary, we can internally curse him and pray for his downfall, but we still have to maintain normal state-to-state relations with him and have to endeavor to maintain good-neighborly ties with the Soviet Union. This is for the sake of our country's peace, stability, and social development. After the collapse of this "coup" in the Soviet Union, we still have to maintain good neighborly ties with the Soviet Union. This is a far-sighted move. Our ideology is separated strictly from state-to-state relations. In public reports, we make objective and selective coverage which indicates preferences. It is necessary to forge a broad international united front. If a just new international political order is to be established, it is imperative that the five principles on peaceful coexistence as well as the principle of nonintervention in other countries' domestic affairs should be promoted. We have already done so and have to continue doing so in the future. We have already won extensive international sympathy and support. If we continue to hold high the banner of the five principles on peaceful coexistence as well as the four principles on party-to-party relations, then we will secure broad international support to help us defeat peaceful evolution by the West.

Yeltsin-Gorbachev conflict should be exploited shrewdly.

Peaceful evolution is the condensed expression of the struggle between the two systems and between the two ideologies today; it is also the biggest danger confronting us. Regardless of the unpredictable changes in the Soviet Union, we should shrewdly exploit the contradictions between Yeltsin and Gorbachev and between the Soviet Union and the United States. We should do so without being exploited by them. I think that on this question, it is necessary to exploit the benefits but avoid the pitfalls. If we stand up to openly criticize Yeltsin and even sever ties with him, it will not bring us any good but will simply make the United States happy. After Gorbachev

was arrested, the United States was frantic. Later, seeing that Yeltsin had assumed power, they began to put him and Gorbachev on equal standing because they saw that the two men were both engaged in the pursuit of capitalism. If China breaks up with the Soviet Union, it will only make the United States happy. Yesterday, after the Soviet Union's Supreme Soviet announced a temporary suspension of the CPSU's activities around the country, Bush immediately issued a statement welcoming this decision. He also maintained that this Supreme Soviet decision "was an announcement banning the all-powerful and undemocratic Communist Party. I am extremely pleased with this announcement." To us, banning the Communist Party is not good. If all the communist parties of the world were banned, then we would face very tough days. Therefore, we should engage in the task of winning friends around the world—win friends and win all forces which can be united. To do so, it is necessary first of all to win over the socialist countries of the Third World and unite with other socialist states, including Cuba; second, to win over most Third World countries; third, to win over countries like the Soviet Union and those in East Europe; and fourth, to win over all forces in the Western world which are sympathetic and supportive of us. With such a broad international front, we cannot be defeated or crushed. Even if the United States wants to impose sanctions, it would not be able to do so. In view of our long-term security and stability and of the fundamental interests of our socialism, we should not be swayed by emotions. Yeltsin is reactionary and engages in white terrorism. We should condemn him, but we need not do so by standing up and publishing commentaries in the newspapers. Like our meeting here today where we have denounced and criticized Yeltsin, we have said what should be said, while the comrades have also heard quite a lot. I am convinced that when you go home, you will use your own words to continue denouncing Yeltsin. However, our denunciations and criticisms do not affect relations between China and the Soviet Union. This is called exploiting the benefits and avoiding the pitfalls. **Dissolution of the Soviet Union is not unexpected.**

Now that the CPSU has been temporarily suppressed, we should keep our cool and maintain our composure. We have long been unhappy with the conduct of Gorbachev and the CPSU's present state, but we have also long been prepared for this development in Soviet society. Frankly speaking, even before this incident took place, we had already asserted in our internal discussions that the trend toward the restoration of capitalism in the Soviet Union can hardly be reversed. While such a conclusion to the Soviet situation occurred sooner than expected, it was not beyond our expectations. The reason is that, because the Soviet Union has pursued Gorbachev's capitulationist line, which deviated from Marxism, the outcome in the Soviet situation was not at all surprising. We can only subtly iron out all kinds of prevailing relationships, uphold the socialist path with Chinese characteristics,

continue to develop our socialism, and display its incomparable superiority. This possibility does exist. Therefore, our basic attitude toward the events in the Soviet Union is still to keep a low profile, refrain from making enemies, refrain from anxiously coming forth to comment on the events, keep a cool head, and be comprehensive and profound in making considerations. This is the first step in what we have to do. **"4 June" suppression illustrates "greatness," "maturity" of Communist Party.**

It is necessary to make a serious summation of the experiences and lessons from the Soviet Union and East Europe as well as on capitalist restoration, and make full use of people like Yeltsin as negative examples which may serve as a lesson to educate the entire party, particularly the party cadres. Those present here today are all party cadres. I feel that from the course of this incident in the Soviet Union, we can absorb some very rich nutrients to nourish our bodies and make us more resistant to the invasion of all kinds of foreign forces. What lessons and experiences can be drawn from the Soviet Union? There are many and they can be summarized and compiled gradually by the scholars. I personally believe that there are two very prominent points; they also happen to be negative examples provided us by Yeltsin and Gorbachev. 1) I have mentioned this earlier: It is necessary to bear firmly in our minds the concept of class, class struggle, and of dictatorship of the proletariat, and that class struggle is a life and death struggle. As the ongoing class struggle is very acute and complex, we cannot afford to be bookish and naive about it. This is the most bitter experience and lesson of the Soviet Union's eight-man committee—they did not have a solid concept of class struggle and treated the class enemies with kid gloves. Without a concept of the dictatorship of the proletariat, they did not dare take any action against them and feared bloodshed, resulting in their total defeat and unimaginable repercussions, and even costing them their lives. Looking back at the decisive measures we took during the "4 June incident," I feel that our CPC is indeed a great party, a mature party. We rejoice over our central authorities' correct policies. 2) The harmfulness of the democratic socialism which is touted, peddled, and sold by Gorbachev should be thoroughly exposed. This time, he did provide a very good negative example. His democratic and humanitarian socialism has destroyed the hearts and souls of the Soviet Union's party members and soldiers, and polluted the minds of the Soviet people. With the disintegration of the Soviet Union, the end of the Communist Party, and the loss of the socialist front brought about by democratic and humanitarian socialism, the Soviet Union has used hard, solid facts to educate our CPC. In fact, Yeltsin's success should be attributed to Gorbachev, for it was Gorbachev's so-called humanitarian and democratic socialism which helped and liberated the former by untying the ideological binds of the CPSU and its soldiers. I think we can see this issue very clearly today. What are we to do? It is to fully use the negative examples and lessons he has provided us. **Only China can save socialism.**

We should plant our feet firmly in our country and perform our work satisfactorily. On this, I should like to speak on three points: 1) We should boost our national economy because it is the material foundation used to counter peaceful evolution. Regardless of the changes in the Soviet situation and the collapse of socialism in East Europe, we should firmly uphold the policy spelled out by the central authorities: one center and two basic points. Only when the economy is strong can socialism's superiority be illustrated. This is very obvious. 2) It is necessary to step up the party's own building by vigorously opposing corruption. There can be no ambiguity here as it is related to our party's survival or death. All those present here are leading cadres. On this issue, I think our central authorities are honest and clean. In the past, I often worried whether or not our central authorities were aware of the situation below. Did they know what was going on there? Based on my contacts with leading comrades of the central authorities and listening to some of their speeches, I found that they have a full grasp of the situation below and are deeply concerned about graft and corruption. I was very much inspired by this. They are well-versed on the situation below, including some doggerels circulating among ordinary cadres and people. For instance, the party's three important styles of work: integrating theory with practice became "integrating theory with benefits," criticism and self-criticism became "flattery and self-flattery," and close links with the masses became "close links with the leaders." We also know about the antithetical couplet on the management of employees: "If I say you are good, you are good even if you are not; if I say you are not good, you are not good even if you are." This is complemented with a horizontal streamer inscribed: "A dose of no-good comments." [yi fu bu xing 0001 2591 0008 5887] Ah, all these situations. The leading comrades of the central authorities are all aware of these doggerels. Comrade Jiang Zemin had specifically summoned a group of students and made friends with ordinary university students. Once a week, he would listen to them talk about the things going on around them. As a result, they are fully aware of what is going on and we can rest easy because of this. The central authorities are resolute and determined to combat graft and corruption, but I think that to oppose corruption and step up the building of the party, relying on the central authorities alone is not enough. It is necessary to rely on the members of the entire party, particularly the party cadres at all levels. If each and every party member starts with what he or she can do and works within his or her own capacities, I think our party will then become impregnable. The international communist movement is presently at a low ebb and the communist parties of the world are looking up to us. In the past, people have said that only socialism can save China and that only China can save socialism today. I think it is right to say so. The CPC shoulders a very heavy burden. In my opinion, if we do not uphold socialism and if capitalism is restored in China, then we CPC members, including not only the party's leading cadres but also ordinary party members, will not be able to escape the dictatorship of the bourgeoisie. Therefore,

we should all join hands to safeguard the ruling position of our party and build up our party. Five adheres, five absolutely nots.

The central document spoke clearly on the need to bolster our party at present. To prevent peaceful evolution, it is necessary to adhere to the Communist Party's leading position, and oppose a multiparty system; adhere to the Marxist ideology as the guiding principle, and absolutely refrain from engaging in ideological pluralism; adhere to the dominant position of the public ownership system of economy under socialism, and absolutely refrain from engaging in privatization; adhere to the democratic dictatorship of the people, and absolutely refrain from engaging in the West's parliamentary democracy; adhere to the party's absolute leadership over the army, and absolutely refrain from engaging in nonpartisanship and nonpoliticization. I think that these five points are extremely important and are of immense practical significance at present. They are also of great practical significance on the question of combatting graft and corruption. To fight corruption, everyone should take action, both in speech and in writing, and set an example. Currently, our CPC has to persist in taking the socialist road and in maintaining its ruling position; this is an enormous and urgent task. 3) In stepping up our own build-up, we should criticize capitalism in a clear-cut manner, forcefully propagate socialism, and realistically do a good job in conducting the education against peaceful evolution. How we educate and guide the people is of the utmost importance. While the achievements since the introduction of reform and opening up are tremendous, Zhao Ziyang, during his years in charge, has played down the party and ideology, creating extremely dire consequences. The policy of being firm on one hand and soft on the other has undermined the edge enjoyed by our party. Now, we have to reverse thoroughly this situation and win a brilliant victory on this ideological front, this smokeless battleground, so that we can account for ourselves adequately before the party and the people of the country.

CPC's Countermeasures

Part I. Evolution in the Soviet Union. (omitted) [as received]

Part II. Correct understanding of the central guidelines on the Soviet Union's transformation.

Part III. Full understanding of the vital importance of stepping up party building under the new situation.

Part II

Editor's note: This part answers a very popular question in the country: Now that the Soviet Union has changed, will the CPC also change? This is a shot in the arm injected by the CPC into its terrified party members. [end editor's note]

One. The guideline adopted by our party and government on the political changes in the Soviet Union is entirely correct.

After the "19 August" incident in the Soviet Union, our country's news media covered the events in an objective manner. On 20 August, a Foreign Ministry spokesman expounded the position of the Chinese Government on the Soviet event. After Gorbachev resumed his presidential duties, Foreign Minister Qian Qichen, in a meeting with the USSR ambassador to China, again spelled out our country's principle and position on the changes in the Soviet situation. The basic feature of our Soviet policy is as follows: The changes taking place in the Soviet Union are the internal affair of that country and should be dealt with by the people of the Soviet Union. China opposes intervention in the domestic affairs of other countries, and, regardless of the developments in the Soviet situation, good-neighborly relations between China and the Soviet Union will continue to be developed based on the PRC-USSR Joint Communique. This guideline adopted by our party and government is entirely correct as it reflects not only resolution in upholding principles but also flexibility in enforcing policies.

1. This guideline illustrates a consistent norm in our handling of state-to-state relations and interparty relations. On state-to-state relations, our country first proposed and has always observed the five principles of mutual respect of sovereignty and territorial integrity, mutual nonaggression, mutual noninterference in domestic affairs, equality and mutual benefit, and peaceful coexistence. On relations with parties of foreign countries, we have always upheld the four principles of independence, complete equality, mutual respect and mutual noninterference in domestic affairs.

2. This guideline illustrates the principle that the development of state-to-state relations is linked to and at the same time separate from the questions of ideology and social system. We have always advocated that in handling interstate relations, social system and ideology should not be used to draw distinctions, nor should they become obstacles to the establishment and promotion of interstate relations. There is no question of our firm opposition to the "humanitarian and democratic socialism" pursued by the Soviet Union, but this is after all a domestic ideological question of the Soviet Union. As the resolution of these issues cannot be decided by us, these issues should not block the development of state-to-state relations on the basis of equality and mutual benefit. The implementation of such a guideline is beneficial to the consolidation and promotion of China's position and role in the world strategic structure, maintenance and development of good-neighborly relations with all countries, strengthening of international cooperation, and furtherance of China's reform and opening up. **Refrain from public debate to avoid exploitation by the West.**

3. This guideline embodies the principle of making distinctions between internal and external approaches, and contributes to our gaining the initiative in complicated international struggles. In the wake of the changes in the Soviet Union and East Europe, the party Central Committee has repeatedly stressed the need to "make cool observations, maintain composure, deal with matters calmly, keep a low profile, be adept at hiding mistakes, and never grab the limelight." There is a need for such a demand because the situations in the Soviet Union and East Europe are still changing, while the reasons behind these changes are also very complicated. The development of certain events is often punctuated by numerous setbacks, making it very hard to predict the outcome. This point is fully illustrated by the incident in the Soviet Union. Throughout this entire incident, which was sprinkled with dramatic twists and turns as well as huge fluctuations, a very cautious attitude was taken by the party Central Committee as it closely observed the developments and changes in the events. It strongly integrated principles with flexibility, taking heed not only to seize opportunities and make appropriate responses, but also to act with tact and shrewdness, enabling it to maintain the initiative to advance or retreat at all times and displaying a very high degree of battle skills. By doing so, we not only upheld the diplomatic line of independence and self-reliance and refrained from becoming someone's vassal, but also exhibited calm and composure in keeping the initiative in our hands. Making a distinction between internal and external approaches, knowing what we want to do, not engaging in public debates, being rational, forceful, and prudent, and keeping a low profile does not mean that we have failed to uphold principles or to persist in struggle. Speaking at the meeting to celebrate the 70th anniversary of the CPC, Comrade Jiang Zemin outlined the political, economic, and cultural principles in the building of socialism with Chinese characteristics and the guidelines to be followed. What should be upheld and what should be opposed were clearly stated and indicated the Chinese communists' firm determination to take the socialist road. However, we do not engage in public ideological debate so that we can promote stability, foster good-neighborly ties between China and the Soviet Union, prevent the West from exploiting the deterioration of Sino-Soviet relations, and thus bring about an international environment favorable to the building of socialism with Chinese characteristics. We should boost the economy to promote further China's international standing and position. Facts have once again shown that our party has proved itself to be a mature and judicious party equipped with Marxism and Mao Zedong Thought, and that the collective leadership of the party Central Committee with Comrade Jiang Zemin as the core not only has the competence to handle domestic affairs, but also outstanding skills in dealing with complicated international affairs. The entire party and the people of the entire country can put their full trust in them. **Collapse of the coup weakens the Soviet Union's position.**

Two Firm up conviction in taking the path of building socialism with Chinese characteristics and concentrate efforts to do our own job well. The dramatic changes and swift developments in the situation following the Soviet Union's "19 August" incident created serious repercussions for the international community. These are principally the following: 1) The changes in the Soviet situation greatly undermined the international position and role of the Soviet Union, while the world structure was transformed dramatically. The United States' opponent in the pursuit of power politics and the establishment of a new world order is now gone, making an imbalanced world even more so. 2) The transformation in the Soviet Union spells success for the peaceful evolution strategy and conspiracy of the Western bourgeoisie, with which they are rather pleased. The sensational changes in the Soviet Union have fanned the anticommunist, antisocialist flames of Western capitalism and it is now clamoring to seize this "historic opportunity" to "win the war without fighting." 2) [as published] The evolution of the Soviet Union constitutes a serious setback to the cause of world socialism and creates extremely grim consequences for the international communist movement. The dramatic changes in the Soviet situation could create a very unfavorable international environment for us. The Western hostile forces could direct their spearheads against us and exert greater pressure on us, while the handful of people in China who adhere to bourgeois liberalization could use the opportunity to create trouble. At the same time, some comrades within the party and among the masses could also have certain worries and doubts, and even develop ambiguity and incorrect understanding.

Faced with such a desperate situation, what are we to do?

First, it is necessary to firm up the conviction in the inevitable triumph of socialism and resolutely take our own road to promote relentlessly the great cause of building socialism with Chinese characteristics. At present, some comrades have the concern: With the transformation of the Soviet Union, will China also change? Will China be able to resist it? We have to analyze this by using Marxism's dialectical materialism and historical materialism and refraining from making subjective assumptions. To think that China will change because the Soviet Union has changed and because both countries are socialist states is a subjective deduction which lacks scientific analysis. This deduction is incorrect. While both China and the Soviet Union pursued socialism and shared certain common structural features, the situation in China is essentially different from that of the Soviet Union. **Soviet Union has never done China any good.**

Historically speaking, China has never been controlled or manipulated by the Soviet Union. Since the establishment of Sino-Soviet diplomatic relations in 1949, only the first decade of Sino-Soviet relations was excellent, while relations were always bad in the 30 years from 1959 to 1989. The Soviet Union tried to control us through their pursuit of hegemonism and power politics,

and put pressure on us by withdrawing their experts, stopping aid, and massing huge armies along the frontier. Our feud evolved from a war of words to armed conflicts. It can be said that in the last 30 years, the two countries and the two parties were always in a state of confrontation. Our country is taking the road of socialism with Chinese characteristics, which is completely different from that of the Soviet Union. They have never done us any good. Throughout this confrontation and struggle, our party stood by its principle and stand. By upholding independence and self-reliance and insisting on taking its own path, not only was it not overwhelmed by U.S. and Soviet pressures, but it grew from strength to strength and scored great successes. As we did not join any of the blocs and alliances initiated by the Soviet Union, and there was no question of "shared honor and disgrace" between China and the Soviet Union, there is basically no question of China changing simply because the Soviet Union has changed. We are convinced that by continuing along the path of our own choice, we will win certain victory.

Realistically speaking, we can lay claim to political assets which the Soviet Union did not enjoy.

1. After more than 40 years of implementation in New China, socialism has struck deep roots in the hearts of hundreds of millions of Chinese people. The socialism we are building is founded on scientific socialist theories and practices. The transformation in the Soviet Union and East Europe has made the masses cherish even more this historic choice of taking the socialist road. The victories obtained in the flood relief and rescue operations in Jiangsu, Anhui, and other areas have fully demonstrated the superiority of the socialist system. The people of the disaster areas cried out from their hearts: The Communist Party is better! The socialist system and the public ownership system is better! The People's Liberation Army is better! Reform and opening up is better!

Elders' continuing presence becomes 'political asset.'

2. We have a strong party leadership and a correct line. By integrating the popular truths of Marxism with the concrete realities in China's socialist modernization and construction endeavors, our party was able to sum up positive and negative experiences, find a path to build socialism with Chinese characteristics which is consistent with China's prevailing conditions, and formulate the basic line of "one center and two basic points" after going through years of explorations and waging a struggle between victory and failure, high tide and low ebb, favorable and unfavorable conditions. We uphold the central task of economic construction, Marxism, the party's leadership, the socialist system, the people's democratic dictatorship, and reform and opening up. After a decade of reform and opening up, China has achieved great results in its socialist modernization and construction endeavors, while its national strength has been greatly boosted and enormous benefits have been bestowed upon the people. All these amply indicate the

great vitality in the building of socialism with Chinese characteristics. The 10-Year Program and the Eighth Five-Year Plan drawn up at the Seventh Plenary Session of the 13th CPC Central Committee and the Fourth Session of the Seventh National People's Congress further depicted the bright future for China's social and economic growth. Our party and country have a strong leadership core. Following the first and second generation of collective leadership with Comrades Mao Zedong and Deng Xiaoping as the respective cores, the third generation of the party's collective leadership with Comrade Jiang Zemin as the core has handled a series of major domestic and international issues ably under external pressures and internal difficulties. It overcame the Western countries' "sanctions," and maintained political, economic, and social stability in China. Strong leadership by the party Central Committee provides the basic guarantee of victory in our cause. At the same time, we still have a large number of old comrades who have been tested through years of revolutionary struggle and have rich experience in running the party, the country, and the Army. They are an important factor in our ability to deal with all kinds of complicated situations and uphold the socialist road.

3. Our people and our party, tried and tested in the revolution and the construction, have a glorious revolutionary tradition, while the people of all nationalities in the country are united as one. Therefore, they can stand the test of any political storm. With our country's population of more than 1 billion and our party's 50-million-strong membership, we possess considerable weight on the international stage. No one can afford to belittle or isolate us. **Army can be used to suppress the masses.**

4. We have a 3-million-strong people's Army under the absolute leadership of the CPC. Through years of revolutionary struggles, it has given rise to a glorious tradition and has overcome all kinds of trials in the new historical period, particularly the challenge of quelling the counterrevolutionary rebellion and turmoil. It can fully assume its basic tasks of resisting foreign aggression and countering internal subversion, and can be completely trusted by the party and the people. Armed with these aforementioned assets, coupled with our efforts to do our job well in every aspect, maintain political, economic and social stability as well as unity among all nationalities in China, and advance resolutely along the path of socialism with Chinese characteristics, we will always stand on winning ground, whatever the international situation may be.

Second, it is necessary to absorb seriously the lessons from the evolution of the Soviet Union, plant our feet firmly in China, and perform our tasks well. Even as the Soviet Union is evolving rapidly, we have already resisted this anticommunist, antisocialist countercurrent and ensured that the party and the state will not change color by firmly taking the socialist path. However, even though we possess the aforementioned political assets, the key lies in planting ourselves firmly in the country

and doing our job well to inject new vitality into the advance of socialism. Historical experiences have shown: One should never count on others for success or failure, gains or losses in either revolution or construction. In the world today, contention between various political forces is based on positions of strength. Opposition to hegemonism and power politics is determined by one's own strength. "Financial wealth decides positions of strength or weakness." Only through hard struggles can we boost our comprehensive national strength considerably and consolidate as well as bolster China's international strategic position. Once our international standing is enhanced, we can also demonstrate more forcefully the superiority of the socialist system and eventually defeat the Western hostile forces' attempts at peaceful evolution. To do our job well, it is necessary to pursue conscientiously the party's basic line of assigning economic construction as the central task, upholding the four cardinal principles, and adhering to reform and opening up. It is necessary to strengthen the unity of the party, its solidarity with the people, and the unity among the people of all nationalities. It is imperative to work with a will to make the country strong, step up political and ideological work, deepen reform, and expand the opening up. Efforts should be concentrated toward boosting the economy and improving work in all areas in order to enhance the comprehensive national strength and ability to resist peaceful evolution. To achieve the aforementioned requirements, our party members and cadres, especially the party members [as published] and leading cadres, should regard the evolution of the Soviet Union as a living negative example which may serve as a lesson, seriously absorb the lesson, raise their awareness and resolution to prevent peaceful evolution, firmly grasp the political direction, and make three clear distinctions on important issues of principle, that is: Draw a clear line between Marxism and anti-Marxism, between socialism and capitalism, and between scientific socialism and democratic socialism. To fulfill the "five adherences" and "five absolutely nots," it is necessary to uphold the party's leadership and absolutely not engage in the multiparty system; uphold the people's democratic dictatorship and absolutely not engage in the West's parliamentary democracy; uphold the party's absolute leadership over the Army and absolutely not engage in the nonpartisanship and nonpoliticization of the Army; uphold the dominant position of the public ownership system and absolutely not engage in privatization; and uphold the guiding position of Marxism and absolutely not engage in ideological pluralism. The thinking of the comrades of the entire party should be made to conform with the party's basic line as well as with the spirit of Comrade Jiang Zemin's 1 July speech, and no room for ambiguity should be allowed on issues of principle. In this way, we can then forcefully smash the conspiracy of peaceful evolution.

Part III

Editor's note: This is a part in typical stereotyped writing. There is nothing new in this part, which is full of

repetition of the old tunes of rectification of incorrect work styles and party rectification. To preserve its original flavor, we have reproduced the whole part word for word. If readers are not interested in it, they can just skip it. The only thing that merits attention is that it re-uses two viewpoints put forth by the report delivered by Zhao Ziyang at the 13th CPC National Congress. They are: The CPC must be able to stand the test of being a party in power and stand the test of reform and opening up. Another point is that in view of the Soviet situation, the CPC is attaching special importance to control over its central organs. [end editor's note]

The grave lessons drawn from the accelerating evolution in the Soviet Union have made us understand more profoundly the great importance of strengthening party building and enhanced our sense of emergency and historical responsibility in party work. Party organizations at all levels in the central state organs must clearly understand that at critical moments, we need to double our efforts to do our work well so that we can withstand all tests and make contributions with our actions.

How do we understand the extreme importance of strengthening party building under the new situation?

Put Forth the Proposition of Standing the Test of "Peaceful Evolution"

1. Strengthening party building is a historical mission entrusted to our party by our times and the need to stand the test of peaceful evolution. The 1990's is a crucial period for China's economic and social development and a crucial period concerning the future and destiny of the international communist movement. East Europe has changed, and the evolution in the Soviet Union is being accelerated. The whole world is focusing attention on China. Revolutionary people are placing their hopes on China, and the Western hostile forces are directing their spearheads at China. Whether our party and people can carry forward the socialist cause pioneered by the proletarian revolutionaries of the older generation, safeguard the state power paid for with the blood of more than 20 million revolutionary martyrs and obtained through 28 years of revolutionary war, and make ourselves always invincible depends on whether we can build our party into a strong nucleus capable of leading the socialist modernization drive and a powerful fighting force capable of resisting peaceful evolution. The fundamental reason for the evolution in the Soviet Union lies within the party. Both historical and realistic experiences and lessons show that only by running the party well can state affairs be done well. If no problems occur within the party, no problems will occur in state affairs either. Looking back on the party's history and China's modern historical development, we can see that the CPC is the mainstay in the struggle to change the historical destiny of the Chinese people and to build a prosperous country. The party's history in the past 70 years is a history of combining the basic principles of Marxism with the

concrete practice of the Chinese revolution and construction, a history of leading the people of all nationalities throughout the country to carry out arduous struggles and advance from victory to victory, and a history of serving the people wholeheartedly and fighting for China's social progress and the people's happiness. Under the leadership of the party, earthshaking and miraculous changes have taken place in our country. History proves that without the Communist Party, there would be no New China. History has proved and will continue to prove that without the Communist Party, there would have been no rejuvenation of the Chinese nation, and without socialism there would have been no development in China. In East Europe and the Soviet Union, peaceful evolution started first from within the party. The party itself collapsed first. In the political field, they practiced the multiparty system and bourgeois democracy and abolished party leadership and the proletarian dictatorship. In the economic field, they practiced private ownership. In the ideological field, they opposed Marxism and advocated bourgeois ideology and nationalist nihilism. In the organizational field, they abolished the system of democratic centralism and caused the ranks of the party to disintegrate. That is why we say that strengthening party building is of extremely important significance to ensuring our country always stands firm and erect among the world's nations and is always invincible. **One of Zhao Ziyang's Slogans: Standing the Test of Being a Party in Power**

2. Our party is composed of the advanced elements of the working class. It is the true representative of the people's interests and serves the people wholeheartedly. The advanced nature of the party is the fundamental symbol distinguishing it from the political parties of the exploiting classes and all other political parties. We must always adhere to and safeguard the party's class nature and advanced nature so that it can become more mature in the theoretical field, more unified ideologically, stronger politically, and more united internally, and so that it can grow into a more powerful leadership core maintaining closer ties with the masses. Both in history and in reality, all reactionary forces try to change the party's nature and shake its leadership position, regarding this as the main target of their offensive. The lessons drawn from the peaceful evolution in East Europe and the Soviet Union made us understand better the seriousness of this problem: The party will certainly lose its leadership position if its nature is changed. Once it loses its leadership, it will lose everything. Party leadership is the choice of the people and the choice of history. It is determined by the nature of the party, which is the true representative of the people's interests. The lessons drawn from the peaceful evolution in East Europe and the Soviet Union also made us understand that the fundamental mission of the proletariat is revolution, and the fundamental question of revolution is political power. The fundamental question of political power is party leadership, the fundamental question of party leadership is the leading body, and the fundamental question of the leading body is the level of

Marxism-Leninism. In all these, the most fundamental things are party leadership and political power. To ensure that the leadership is always firmly in the hands of Marxist-Leninists and that party and state will not perish, it is necessary to strengthen party building, preserve the party's nature as the vanguard of the working class, and ensure that our party will never change its nature.

3. Strengthening party building is a must to realize the strategic objectives of reform and construction and stand the tests of reform, opening up, and the development of commodity economy. Another Slogan of Zhao Ziyang: Standing the Test of Reform and Opening Up

In the next decade, we must achieve the second-step strategic objective put forth by the party Central Committee and lay a solid foundation for the third-step strategic objective. We must build socialism with distinctive Chinese characteristics, further deepen reforms, open up wider to the outside world, perfect the socialist system, and give play to the superiorities of socialism. We must have a powerful party leadership and adhere to the correct political orientation. Thus, we are required to keep a clear head on some major and important questions of principle and rectify our understanding, which has been confused in the past, so that we can draw a clear distinction between right and wrong. At present, we must clarify the following points: We must carry out reform of the economic structure, but the position of public ownership as the main body should not be changed; we must carry out reform of the political structure, but the people's democratic dictatorship should not be changed; we must strengthen and improve party leadership, but the party's leadership position should not be changed; we must develop Marxism, but the fundamental stand, viewpoint, methods, and guiding position should not be changed; we must introduce advanced science, management, technology, and outstanding culture from the West, but Western ideology and decadent bourgeois ideas should not be introduced, and the party's fine traditions and the outstanding cultural heritage of the Chinese nation should not be discarded or changed; and we must strengthen our legal system and develop a democratic style of work, but the principle of democratic centralism should not be changed. If we are confused on these major and important questions of principle, disorder will inevitably occur in party and state affairs and all the achievements the party and the people have made over the past 70 years through hard struggles will be ruined. These major and important questions, which have an important bearing on the destiny of the party and the socialist cause, must be taken as the main subjects for our study to strengthen party building. Only when we have successfully built up our party can we ensure that no problems will occur in our political orientation and that the party's strategic objectives can be achieved smoothly, and can we stand the tests of reform, opening up, and the development of commodity economy and enhance our ability to resist peaceful evolution.

4. Strengthening party building is the requirement of strengthening party spirit, rectifying party style, preserving the purity of the party in ideology, organization, and style, and enhancing the fighting power of the party. Party spirit and party style are fundamental questions in party building. Party spirit is a concentrated expression of the class nature of the proletariat. Party style is a matter of first importance concerning the destiny of the party. At present, to strengthen party spirit and rectify party style, the most fundamental actions to take are as follows: to acquire a firm faith in Marxism, firm communist ideals, and a firm socialist conviction, to adhere to the purpose of serving the people wholeheartedly, to act as the representative of the people's interests and faithful public servant of the people, to carry out the party's line, policies, and principles in an exemplary way, to maintain unanimity with the party Central Committee ideologically, politically, and in action, to observe party discipline and not seek private interests or conduct unhealthy practices, to conscientiously put oneself under the supervision of the party organization and the masses, to maintain close ties with the masses and give full play to the exemplary and vanguard role of a party member, and to stand all kinds of tests under all circumstances. Our party is a party in power. In such a position, bureaucratism and the phenomenon of becoming divorced from the masses can easily occur. Under the new situation of peaceful construction, reform, and opening up, as the Western countries are stepping up their peaceful evolution plots, all kinds of negative and corruptive phenomena, such as taking advantage of power to seek private gains, giving and taking bribes, corruption, privilege, and pursuing personal fame and gain, will inevitably corrode the healthy body of our party. Thus, to preserve the advanced nature and purity of our party and strengthen the party's fighting power, we must make unremitting efforts to strengthen party building, carry out resolute struggles against all kinds of negative phenomena, and strike root among the masses and win their confidence.

Special Stress on Central Organs

5. In the central state organs, strengthening party building is necessary to strengthen their position, give play to their roles, and fulfill their tasks. The central state organs are responsible for working out and implementing policies. They shoulder heavy tasks. In these organs, there are comparatively more party members and party-member leading cadres. Their exemplary roles have an important bearing on the fulfillment of work tasks and the prestige of the party and government. They also affect the situation of the whole country. Therefore, strengthening party building in the central state organs is also of great significance. What should we do in the party building in central state organs, in light of the new situation and new problems at present? After repeated studies, the general requirements are to firmly grasp implementation while focusing attention on party building; strengthen education, oppose corruption, and

prevent evolution; and score achievements in our respective posts. The concrete requirements are to concentrate efforts on five major tasks for party work in organs. *Strengthen education in Marxism-Leninism and build an iron wall to resist peaceful evolution.*

The study of Marxist theory is of special significance at present. According to the lessons drawn from the Soviet Union and East Europe, the greatest danger is not the furious attack of the hostile forces at home and abroad but the slackening of ideological education within the party and deviation from the basic principles of Marxism. Comrade Jiang Zemin has repeatedly pointed out: "An important reason why our party is firm and powerful is that it always takes Marxist theory as its world outlook and guidance for its action. Without advanced theory, the party cannot be an advanced party, and the party members cannot give play to their vanguard role. Anyone who refuses to arm himself with advanced theory can never acquire true party spirit and can never be a qualified element in the vanguard of the working class." "At present, we are faced with a complicated international situation and arduous tasks at home. Under this situation, we must attach greater importance to the study, propaganda, and application of Marxism." "To see through and defeat the peaceful evolution plots of the hostile forces at home and abroad and to build an 'iron great wall' in the minds of the people to resist peaceful evolution, the most important thing is to arm the whole party, the whole Army, and the people of the whole nation with Marxism-Leninism-Mao Zedong Thought." We must make great efforts to carry out education in Marxist-Leninist theory in accordance with the requirements put forth by the general secretary.

This year and next it is necessary to do a good job in organizing the study of party history and party building theory in light of the lessons drawn from East Europe and the Soviet Union and to strengthen the education in opposing peaceful evolution. In the study campaign, we must continuously increase our consciousness and continue to integrate theory with practice so that we can apply what we have learned in practice. We must mainly solve some typical ideological problems and problems of understanding in light of the ideological situation of party members and cadres so that they can acquire firm ideals and convictions, always remember their purpose, develop the party's fine traditions, arm themselves with Marxism-Leninism, remodel their world outlook, use the Marxist stand, viewpoint, and methods to analyze, recognize, and solve problems and guide practice, and build an iron great wall against peaceful evolution. This is a task of first priority for party organizations at all levels. *Carry out the party's regular activities in a strict manner and increase the party's fighting capacity.*

To implement conscientiously the policy of administering the party strictly and carry out the party's activities frequently, systematically, and regularly, it is necessary to carry out the activities in a strict manner and overcome the phenomenon of relaxation. The quality of party activities must be improved, and the vitality of the

party organization and its ability to solve its own problems should be enhanced by carrying out criticism and self-criticism and by appraising party members in a democratic way. It is necessary to make continuous efforts to promote the building of grass-roots party branches, provide training for main cadres, and do a good job in rectification and improvement. Efforts must be concentrated on grass-roots units so that every grass-roots party organization can be built into a firm stronghold with great attractiveness, cohesive force, and fighting power. *Strengthen building of party style and resolutely overcome negative and corruptive phenomena.*

At present, the main problem in improving party style is that people all believe that improving party style is very important but also feel that it is very difficult. They all believe that it is a big problem but also feel that they do not have any problems personally. They are all making efforts to improve party style but are also dissatisfied with the results. In view of this situation, we must make up our minds to start from now, start with our own units and ourselves, and start with the leading cadres to do a good job in this respect. We must first grasp education to increase people's level of understanding, study the central authorities' stipulations and regulations on party discipline, and strengthen supervision and discipline. The party organizations at all levels are responsible for the supervision and examination of party members in improving party style. Their work should be focused on rectifying unhealthy tendencies, such as taking advantage of power to seek private gains and privileges, and handling discipline-violation cases. They must work honestly for the party and the people and be willing servants of the people. *Mobilize and organize all party members to make contributions in their own posts.*

Party building must be closely related with the building of party organs, and the party's work must be closely related with the central tasks of various departments. All party members are required to play an exemplary role and lead the masses to fulfill their tasks. They must educate the masses to bring into play their enthusiasm, initiative, and creativity, love their jobs, work hard, and shoulder heavy loads. Party members are required to take the lead in studying professional and technological knowledge and fulfill their tasks well so that they can become models for the masses. They must be good examples in observing discipline, maintaining the unity and solidarity of the party, adhering to the principle of party spirit, and resisting all kinds of corruptive styles and unhealthy trends. *Strengthen youth work and train successors to the revolutionary cause.*

Young people working in various departments under the central state organs make up about 35 to 70 percent of the total number of cadres in these departments. Therefore, it is a very important and pressing task to train and bring up millions upon millions of successors to the revolutionary cause. This should be placed on the agenda of work of party committees at various levels. In the

future, it is necessary to stress the education in Marxism-Leninism and education in China's modern and contemporary history and national situation for young people, so that they can understand better that the people's regime has not been established easily and so that their national pride and confidence can be enhanced to overcome the ideology of worshipping and having blind faith in things foreign. We must work hard to train the younger generation into a new generation of people who have a firm political stand and a sound work style and who are diligent in work and study. The party organizations must strengthen leadership over youth work. They must assist the Chinese Youth League [CYL] organizations to do a good job and help them solve practical problems and improve work at the grass-roots level, so that the roles of the CYL organizations in youth work can be brought into full play.

International Communist Movement Is at a Low Ebb

To do a good job, the party organizations at all levels and the vast numbers of party workers must get a clear understanding of the situation and their tasks and enhance their sense of responsibility. At present, under the situation in which the international communist movement is at a low ebb and the tasks of national construction are very heavy, our party must make greater efforts to boost the spirit of the party members so that they can overcome difficulties and make contributions. It is necessary to strengthen the building of the ranks of party cadres, strengthen the leading bodies at various levels, and promote to the leading bodies those comrades who love and devote themselves to the party's cause, who have a high political consciousness, and who are working hard and maintaining close ties with the masses. It is necessary to help the cadres increase their ability through education and training. The vast numbers of cadres doing concurrent jobs while engaging in party work must conscientiously place party work on their agenda and effectively combine their concurrent jobs with party work so both can be done satisfactorily. It is necessary to improve party style, carry out investigation and study to solve practical problems, and work hard in a down-to-earth manner. It is necessary to concentrate our efforts on the building of grass-roots units so that a solid foundation can be built. In our work, we must often sum up our experiences and firmly grasp both the leadership and the grass-roots. Good examples and advanced models should be set up to bring forward the backward. The activity of striving to be the advanced must be carried out in an extensive way, and the activity of appraising, commending, learning from, and catching up with the advanced must be carried out once every two years to encourage good practices. The party-member leading cadres must play an exemplary role. They must set strict demands on themselves and often go among the masses to solicit opinions. The party-member leading cadres at all levels must play an exemplary role in every respect. The party organizations and party-member cadres at all levels must maintain close ties with the

masses, be concerned with their well-being, listen to them, and effectively solve their practical problems.

At present, changes often take place in the international situation and our tasks for domestic construction are very heavy. Both the cadres and the masses are pondering many questions. It is extremely necessary for us to offer them correct guidance and education. The party organizations, the administrative leading cadres, and the trade union, CYL, and women's organizations at all levels must enhance their sense of emergency and responsibility and take positive action to build the party organizations at all levels into a powerful fighting force. They must educate and run their contingents well and do painstaking ideological and political work so that the tasks assigned to them can be successfully fulfilled. It is necessary to make great efforts to build the central state organs into model organs in serving the people honestly, efficiently, and wholeheartedly.

Anti-Yeltsin Comments Highlighted

HK0702010992 Hong Kong TANGTAI in Chinese No 10, 15 Jan 92 pp 55-56

[Article: "CPC's Real Attitude Toward Yeltsin"; first paragraph is TANGTAI editor's note]

[Text] After the Soviet Union disintegrated, the CPC quickly acknowledged Russia and invited its members to visit China. On the surface, they have been very friendly to Yeltsin—but this is not the CPC's real attitude. The CPC has long regarded Yeltsin a "traitor of communism," a "careerist," an "agent of the imperialists for peaceful evolution in the Soviet Union," and so on. Therefore, though the CPC appears to be friendly toward Yeltsin, it actually does not like him very much and wishes to see him step down as quickly as possible. We now bring you excerpts of a classified speech delivered at the Political Bureau discussion on the Soviet situation after the coup had failed, which touched on Yeltsin (source: minutes of 28 August 1991 emergency CPC Political Bureau meeting, orally relayed to ministries and state commissions by the State Council on 29 August). It provides a window on the CPC's true attitude toward Yeltsin.

Yeltsin's power is rapidly expanding. But, in my opinion, Yeltsin is now dizzy with success and insufferably arrogant. He is launching brutal attacks and exercising a fascist reign of terror. As an inevitable result, the broad masses of the Soviet Union, especially the Communist Party members, will rise against him and fight him. In the days to come, Yeltsin is faced with the following completely insoluble problems:

Yeltsin and Great Russian Chauvinism

One of the problems is the relationship between the Russian Federal Republic and other union republics, which now stands out. Many union republics have declared independence and are going to establish their own armed forces and issue their own currencies. After

Ukraine and Moldova declared independence on 24 and 27 August respectively. Yeltsin could not sit still any longer. On 28 August, he made a speech in which he raised the border issue. He said: The Russian Federation will not allow the large area of territory inhabited by Russians to leave Russia and the Soviet Union. The Soviet Union used to be a multinational country, a family of different nationalities. What will happen to the people living in Russia? Yeltsin said they would not allow the large area of land inhabited by Russians to leave the Soviet Union. In other words, if we should break up the family, please give me your land. This way, border conflicts within the Soviet Union's boundaries would be inevitable. Kazakh President Nazarbayev was once Yeltsin's close friend and was among those against the State of Emergency Committee's action. But when it came to the interests of his Kazakhstan, he split with Yeltsin. Therefore, when Yeltsin's speech, stating that any state wishing to become independent would not be allowed to take with it land inhabited by Russians, which should still belong to Russia, was published, Nazarbayev refused to comply. He said: What did you say before, Yeltsin? You said all nationalities are equal, but now you are practicing Great Russian chauvinism. That is no good. If you take this frontier area, there are bound to be border wars between union republics. Ukraine also refused to comply. It used to be number two of the 15 union republics, second only to Russia. When the Ukraine president saw Yeltsin grabbing power from everywhere and practicing Great Russian chauvinism after Gorbachev came back to power, he refused to comply. That is why he declared independence on 24 August. This is the background against which Ukraine declared independence, that is, when Great Russian chauvinism was gaining ground. He was also against redivision of boundaries, convinced that this would definitely cause legal wars, border wars, and endless disturbance in the Soviet Union. This contradiction has begun to show. This is a headache for Yeltsin. He cannot prevent other states from becoming independent. If he raises a territorial claim, it will aggravate the conflict between Russia and other independent states. This is a contradiction that cannot be overcome.

The Military Will Not Obey Yeltsin

The second contradiction is that what Yeltsin is doing will naturally cause strong discontentment within the military, including the KGB. It will continue to breed new disturbance and turmoil. Will 80 percent of the high-ranking generals listen to you and quietly hand their power over to you? This is impossible. They understand that, once they give up their military power, their own lives will be endangered, let alone the country's future and destiny. Therefore, Gorbachev also reminded Yeltsin that extensive cleanup would lead to dreadful consequences. He had a premonition. The four KGB chiefs have been arrested. Would some of their subordinate, lower-ranking KGB officials just accept it readily? The more he purges, the more enemies he creates, and

the more insoluble or more intensified the contradictions will become in the future. His conflict with the military and the KGB is the second one.

Former Soviet Communist Party Members Will Not Let Yeltsin Go

The third is Yeltsin's conflict with the broad ranks of party members in the Soviet Union. The antagonism between them will not stop. There used to be 19 million party members in the Soviet Union. The ever-worsening situation caused by Gorbachev's reforms weakened many people's confidence in the party, so 3 million members quit. Now there are at least 16 million left. You just give an order, and our activities are outlawed and we all become problems. Nobody would comply, simply out of consideration for their own interests. Would anybody comply if he were to be persecuted? Furthermore, the Soviet Communist Party used to be the ruling party and now it is told to give up its power. The consequences can be imagined: losing their jobs is inevitable and there is no guarantee even for their lives. This contradiction is also very acute. After he had the Russian and Soviet Communist Party Central Committees' office block sealed off, Yeltsin went through personnel files and persecuted whoever had a negative attitude toward Gorbachev or himself. He is going farther and farther off the point and his conflict with the broad ranks of Soviet Communist Party members is inevitably intensifying, making it impossible for them to live in peace together. This is still going on. If Yeltsin fails to handle things properly, I think he will soon fall from power. The struggle will not cease and, in my opinion, will only intensify. This seems to be a result of the "coup's" failure.

Document Criticizes Democratic Socialism

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in Chinese No 172, 1 Feb 92 pp 19-21

[Article by Fang Ta (2455 6671): "CPC's Secret Document Attacks Democratic Socialism"]

[Text] Claims Made That Complete Antipeaceful Evolution Strategy Will Be Mapped Out

Following the "change of government, state banner, and the character of the state" in the Soviet Union and Eastern Europe, the CPC's conservative hardliners have no longer confined themselves to the "great revolutionary criticism" of "Western bourgeois liberal ideas." Since last October, their newest propaganda outline has been: "Integrate criticism of bourgeois liberalization with criticism of democratic socialist ideas. All kinds of effective measures should be taken politically, organizationally, and ideologically, to resist the corrosive invasion of the two reactionary ideas, namely Western capitalism and contemporary democratic socialism, and draw up a complete antipeaceful evolution strategy and policy."

On 22 October last year, internal "study and reference material" (hereinafter referred to as "reference material") stamped with the word "confidential" was published and distributed by the CPC's central state organs work commission (said to be under the personal direction of Luo Gan [5012 1626]). This document highlights criticism of the "five betrayals" and "seven evils" which contemporary democratic socialism has committed against scientific socialism.

Before "4 June," certain "bourgeois liberal elements" both within and outside the party had described Deng Xiaoping, Hu Yaobang, and Zhao Ziyang as "democratic socialists" or "partial democratic socialists." As a result, most Beijing sources maintain that this new wave of "theoretical offensive crackdowns" launched by the hardliners is directed at Deng Xiaoping, or at least intended to prevent Zhao Ziyang's return.

That this "great criticism" is still carried out on a very small scale and not yet covered by the media seems to prove that people's speculation is not without their merit.

Cook Up Democratic Socialism's "Five Betrayal" Charges

Right from the start, the "reference material" accused the democratic ideas of the following principal crime: "Contemporary democratic socialist ideology is an 'opportunist' idea which grew out of the 'Ruling Communist Party' under contemporary international conditions. It is the result of a submission to external imperialist pressure as well as a compromise and concession to internal anticommunist, antisocialist forces."

The "reference material" then discussed the so-called special features and basic principles of the "socialist system" once again. That is: "Politically, uphold the leadership of the Communist Party and carry out the dictatorship of the proletariat; economically, establish a socialist ownership structure dominated by the public ownership system and integrate the system of distribution according to labor, planned economy, and market regulation, to achieve a planned and balanced growth of the national economy; and, ideologically, assert the leading position of Marxism."

It seems that they have "developed" the principles and special features of socialism as outlined by Stalin and Mao Zedong.

This "reference material" charged: "In fact, contemporary democratic socialism has repudiated these essential features and basic principles which should be found in the socialist system and has basically placed itself in opposition to scientific socialism."

The document then went on to enumerate the so-called "five betrayal" crimes democratic socialism has committed against scientific socialism:

"Abolishing Party's Leadership, Advocating Multiparty System"

The first crime is "changing the party's character, abandoning the party's leadership, and advocating a multiparty system."

The document stated: "Democratic socialism looks upon the Communist Party's leadership as 'bureaucratic authoritarianism' and 'administrative command,' maintaining that to uphold the party's leadership is to violate the idea of the people being their own masters. They demand the renunciation of the party's 'political monopoly,' abolition of the constitutional provision on the Communist Party's leadership, introduction of a multiparty system, and free competition among various political organizations and factions 'espousing different political views,' with the Communist Party 'vying for a recognized position' in this competition."

"They propose that the Communist Party undergo 'a thorough reform' to establish a 'new party' which 'breaks completely with the past.' This party is no longer the vanguard force of the proletariat but the party of the people, the nation, and of the compatriots. It no longer considers communism as the objective of its struggle; rather, it aims to establish democratic socialism and 'assert a value concept for all humanity.' It no longer organizes the party and launches its activities according to the system of democratic centralism but according to the principle of social democracy and self-rule, which also allows the existence of different factions within the party."

"In terms of functions, the party is no longer a powerful fighting fortress nor the political nucleus which leads and unites the working masses in carrying out socialist revolution and construction. Instead, it will gradually evolve into a parliamentary party which holds elections and engages in parliamentary struggles."

Obviously, the hardliners' charges against democratic socialism are ridiculous. In fact, this "bureaucratic authoritarian" Communist Party which has exercised a "political monopoly" for over 40 years has long lost the support of its party members and its people and should be dissolved, like its Soviet counterpart. To allow it to "thoroughly reform itself" is quite a generous proposition.

"Attacking Proletariat Dictatorship, Expounding Democracy Which Transcends All Classes"

The second crime is "attacking the dictatorship of the proletariat and expounding an 'ordinary democracy' which transcends all classes."

The document stated: "The contemporary democratic socialists charge that the dictatorship of the proletariat 'eliminates freedom,' is inhuman, and is 'authoritarian and dictatorial.' Capitalizing on the errors committed in the histories of socialist states, that is, the expansion of class struggles and portraying the dictatorship of the

proletariat as an undemocratic terrorist regime which violates humanitarianism, they call for the abolition of the dictatorship of the proletariat and propose the 'elimination of dictatorship by any class.'

"They identify 'democracy' as the core of socialism in an abstract manner, propose that 'democracy should prevail over all things,' maintaining that 'democracy and liberty are the greatest value concepts in human civilization' and that 'socialism is the embodiment and defender of the ideals and value concept of all humanity in an ordinary democracy.'

"They add the word 'democratic' before their concept of socialism to distinguish it from the original socialism and establish 'democratic socialism' as the model for a 'reformed socialism'."

It is common knowledge that there has never been any democracy or liberty in communist states and more so under the rule of the CPC. There is only repression, embargo, criticism, struggle, and even brutal suppression. The "4 June" incident was a classic example of a violent act bent on the "elimination of freedom and with the absence of humanity" as witnessed by the world at large.

"Abandoning Class Analysis, Opposing Class Struggle"

The third crime is "abandoning the method of class analysis, maintaining that socialism is an embodiment of human reason and ethical principles."

The document stated: "Democratic socialists always speak about ordinary, human, and popular issues in an abstract manner, excluding the specific class contents by not making any class analysis. They present a 'class position' which calls for 'the renunciation of confrontation with the values of all people and all humanity' and proposes a 'common human value' as the objective of struggle. Under democratic socialism, socialism is not the natural outcome of the contradictions and operations in a human society but the realization of human reason and ethical principles, such as humanitarianism, freedom, and equality. They also cite the need to oppose and conduct analyses on the shortcomings and conflicts within a capitalist society, such as exposes on the massive unemployment and social inequality created by capitalism; they point out the destruction of the social ecology and environment caused by science and technology as well as economic development under capitalism. However, they maintain that these shortcomings and conflicts do not stem from the capitalist system itself, nor from the existence of class exploitation and oppression, but from a violation of ethical principles like humanitarianism, freedom, equality, and justice. Defining socialism as a product of the evolution of ethics and values, and the individual as the center of socialist ideas and principles, they suggest, in very general terms, the need to develop 'substantial human rights comprehensively' to realize 'human dignity.'"

However, historical facts are exactly contrary to the views raised in the document. The Communist Party uses the absurd theories of "class" and "class struggle" concocted by Lenin and Mao Zedong to justify their dictatorial rule and oppression of the people. It is a ridiculous theory where a small handful of men exploit and oppress a great majority of people. It is very clear that the prevailing "class" in China is the bureaucratic privileged class which is riding roughshod over the people. Unless these privileged bureaucrats are eliminated, there can be no talk of freedom, equality, and justice at all.

"Repudiating Public Ownership System, Advocating Introduction of Market Economy"

The fourth crime is "repudiating the socialist ownership structure dominated by the public ownership system and advocating the introduction of a mixed economy or a total market economy."

The document states: "Democratic socialism maintains that ownership of the means of production is not a fundamental element determining the character of society, nor the principal yardstick for measuring the character of society. They oppose the supremacy of the public ownership system and espouse equality for all kinds of ownership systems and for free competition, adding that the existing public sector economy should be converted into a mixed economy founded on a market economy. This in effect is a return to the private sector economy."

"Pointing to the existing problems in implementing the system of ownership by the people, that is, its management methods, and, using these as their pretext, they call for the 'diffusion of state ownership' as well as a drastic reduction of the public sector economy under the slogan of 'abolition of the state ownership system's monopoly.' They maintain that the competitive mechanism and production efficiency of the private ownership system will boost the vitality of economic life because people will only show care and concern about the uses and values of the means of production once they become private property, giving rise to efficiency. Consequently, the private ownership system is 'indispensable.'

"Consistent with its repudiation of the public ownership system and espousal of a mixed economy, democratic socialism seeks the introduction of a total market economy. Blindly worshipping the spontaneity of the market mechanism, they maintain that 'to us, the market economy is an effective way to satisfy the demands of producers and consumers as well as the rising needs of society.' They urge that 'the market mechanism be used to regulate production, distribution, and consumption,' and that a rapid transition to a total market economy be conducted."

This paragraph, carefully crafted by the leftist lords, was obviously directed at the economic reform ideas of Deng Xiaoping because he recently said that "there is not

necessarily a link between a planned economy and socialism and between market economy and capitalism."

The "reference material" continued: "Democratic socialism rejects the supremacy of the public ownership system and proposes the introduction of a mixed economy and total market economy, the result of which can only be total privatization and self-incorporation into the world's capitalist economic system. Given the conditions of a mixed economy, society will experience a serious polarization, with the great mass of working people reduced anew to a state of enslavement and exploitation. The so-called 'democracy' and 'socialism' will eventually end up as a beautiful empty shell."

The attack on democratic socialism as illustrated in the second sentence of the last paragraph is in fact a distortion of facts and a baseless exaggeration. It has been more than 70 years since the public ownership system of the means of production and planned economy were introduced to the world, with results which are all too clear to us all. Contrary to the alarmist talk in the documents, the mass of working people can only be freed from a "state of enslavement and exploitation" by throwing off the economic shackles represented by the public ownership system and the planned economy.

"Espousing Ideological Pluralism, Opposing Spiritual Monopoly"

The fifth crime is "repudiating the leading position of Marxism and espousing ideological pluralism."

The document stated: "It is contended by democratic socialism that Marxism as a guiding ideology is 'spiritual monopoly' and that 'ideological restrictions on different views and ideas should be firmly rejected.' They call for ideological pluralism and worship pluralism, describing it as 'an important feature of democratic socialism.' They stress that because society is pluralist, the socialist movement need not have a single world outlook; rather, it is necessary to have 'free competition' among different ideologies' and 'firmly oppose the monopoly of the tools of public opinion in any form.' Different parties and political organizations should be allowed to publicize their political views on freedom freely on television, in broadcasts, and in the press."

Contrary to the laws of nature and to the rules of human rights, the CPC determines Marxism and Mao Zedong Thought as the "guiding ideology," incorporating it into the Constitution and demanding that it be observed by everyone. Any slight deviation is considered a mistake and even a crime punishable by criticism and reprimand if not deemed serious and by jail sentence if deemed serious. Mao Zedong's "six standards" and Deng Xiaoping's "four adherences" are rightfully known as "spiritual monopoly." However, history also tells us that rulers who enforce a "single idea and a single ideology" are bound to fall.

The so-called "five betrayals" enumerated in this "reference material" may be classified as self-deception and self-exposure of one's ugliness. The document gives us the impression of "the pot calling the kettle black" with the hardliners unwittingly berating themselves before the cadres. This can only be called utter stupidity.

Enumerating "Seven Evils" of Democratic Socialism

After citing the so-called "five betrayals," the "reference material" next enumerated the "seven evils" of contemporary democratic socialism:

1. Introducing "glasnost" and "ideological pluralism" which create serious ideological confusion.
2. Introducing a multiparty system and abolishing the leading position of the Communist Party, thus paving the way for the seizure of political power by left wing anticommunist forces.
3. Transforming the party into a socialist democratic party under the guise of "reforming" the Communist Party and ultimately breaking up the Communist Party.
4. Reactionary forces becoming more ferocious, while Communist Party members suffered from all kinds of discrimination and persecution.
5. The economy declining drastically, while the living standards of the people fall, plunging the national economy into a severe crisis.
6. The social and political environment created by the wrong line aggravating social chaos and leading to further deterioration in ethnic conflicts.
7. Pursuing a pro-West diplomatic policy, making huge concessions to the West and submitting Eastern Europe and the Soviet Union to Western control.

The last of the "seven evils" is worth mentioning. The document elaborated: "Guided by the theories of democratic socialism, the six Eastern European countries began to look upon a 'return to Europe' as the core of their diplomatic policies. As they distanced themselves from the Soviet Union, they also sought closer political, economic, and cultural ties with the United States and other Western states. The transformation of the political situation in Eastern Europe not only dealt a heavy blow to the international communist movement, and allowed a wave of anticommunism to flourish in the world, but it also put greater pressure on the Third World and threw it into a deeper quagmire."

"In short, the changes in the Eastern European political situation did not herald any glad tidings to the world; instead, they brought with them many elements of instability."

After indulging in futile lamentations, the document then directed its venom at the Soviet Union, accusing it of falling more and more in line with the West. Not only is it "tumbling from its superpower status but, in certain

ways, it has been reduced to a second-rate country. This transformation cannot but make those people in the Soviet Union with national pride feel humiliated and angry."

Such hatred toward the dramatic changes in the Soviet Union and Eastern Europe as reflected in the document shows that the CPC is extremely afraid of this kind of peaceful evolution which, being consistent with the tide of history and the will of the people, could topple it from power and allow democratic socialism to rise in China.

Northeast Asia

Japanese Trade Council Official on Trade Ties

HK0702013992 Beijing ZHONGGUO XINWEN SHE in Chinese 1600 GMT 26 Jan 92

[By staff reporter Wang Jian (3769 1696): "Yoshio Nakata on New Tasks for Japanese-Chinese Trade in New Year"]

[Text] Beijing, 26 Jan (ZHONGGUO XINWEN SHE)—When interviewed by our staff reporter here, Yoshio Nakata, the executive director of Japan's Trade Promotion Council, remarked: Japanese-Chinese trade enjoyed rapid growth last year, and the major tasks it faces this year are to improve and enrich the content of cooperation and expansion of scope.

Nakata pointed out: Japanese-Chinese trade underwent rapid growth against the background of overall restoration of bilateral relations in 1991. The full year's total volume of trade between the two countries will almost certainly reach \$23 billion, up more than 30 percent over the previous year and constituting a record high. This signals promising prospects for the new year. But there are still some problems that have to be settled through the efforts of both sides.

Nakata maintained that, judged by the current situation, the Japanese side is obviously not doing enough in transferring technology to China. The scope in this respect has to be further expanded promptly and the procedures must be simplified. On the other hand, increasing the scale of investment is also a focal point this year. In addition, in exporting equipment and technology to China, if no effort is made to strengthen the extension of soft credit in this connection, the Japanese side will put itself in an unfavorable position in competition with European and American countries. For China's part, improving the quality of its products exported to Japan and guaranteeing punctual delivery are also problems that demand prompt further solution.

Yoshio Nakata also briefed this reporter on the four-point plan of Japan's International Trade Promotion Council for further promoting Sino-Japanese trade this year. First is promoting export to China, which mainly means expanding the export and transfer of technology and strengthening the countermeasures concerning

seller's credit in the transformation of large- and medium-sized enterprises and export of sets of equipment. Second is promoting investment in China and exchange in intellectual industry, such as technology, patents, trademarks, and software. Third is promoting import into Japan and pushing forward the on-the-spot production and large enterprise processing projects. Fourth is taking advantage of the opportunity of the Year of Tourism and Friendship in China and the 20th anniversary of the normalization of Japanese-Chinese diplomatic relations and pushing forward business contacts in tourism and circulation of materials.

DPRK Approves Denuclearization Declaration

OW0502082392 Beijing XINHUA in English
0734 GMT 5 Feb 92

[Text] Pyongyang, February 5 (XINHUA)—The joint declaration on denuclearization of the Korean peninsula was approved by the legislative machinery of the Democratic People's Republic of Korea here Wednesday.

The Central People's Committee and the Standing Committee of the Supreme People's Assembly gave the approval at a joint meeting, says the KOREAN CENTRAL NEWS AGENCY. The declaration was adopted on January 20.

A report on the joint meeting says the declaration accords with the desire of the whole Korean nation to have nuclear weapons withdrawn from the peninsula, to remove the nuclear threat to the people and to denuclearize the country, and also with the aspirations of all peace-loving people to build a new world free from the threat of a nuclear war.

The report further says the meeting assessed the declaration as a historical document of epochal significance in removing the nuclear threat from the Korean peninsula, creating favorable conditions for peace and the peaceful reunification of the country, and contributing to peace and security in Asia and the rest of the world.

The meeting laid emphasis on the need for North and South to take comprehensive steps to faithfully implement the declaration.

It urged nuclear weapon states to give a legal guarantee to denuclearize the Korean peninsula, and said neighboring countries must respect the joint declaration and support the denuclearization.

Southeast Asia & Pacific

Guangdong Official on Trade With Vietnam

HK0702051292 Hong Kong TA KUNG PAO
in Chinese 27 Jan 92 p 2

[“Newsletter From Guangzhou” column by staff reporter Huang Shao-li (7806 1421 4539): “Broad Prospects for Guangdong-Vietnamese Economic

Exchanges—Huang Qun, Director of Guangdong Provincial Office of Foreign Affairs, Talks About Trip to Vietnam"]

[Text] Guangzhou, 26 Jan—Visit Upon Invitation of Do Muoi

During his recent visit to Guangdong Province, Do Muoi, general secretary of the Vietnam Communist Party, issued an invitation to the Guangdong Provincial Government to visit Vietnam. A visit to Vietnam was thus made late last month by a Guangdong provincial economic delegation made up of departments and companies including the provincial planning commission, economic commission, economic and trade commission, office of foreign affairs, tourism office, and coal industrial company and others. Huang Qun, director of the Guangdong Provincial Office of Foreign Affairs, was a member of that delegation and only returned to Guangzhou early this month. He agreed to an exclusive interview with this reporter the other day. According to him, the 12-man economic delegation was received by persons in charge of central and local government departments in Vietnam, including the Ministry of Light Industry, the Ministry of Heavy Industry, the Ministry of Commerce and Tourism, the Ministry of Energy, and the State Investments Commission, and in cities and provinces like Hanoi, Haiphong, Ho Chi Minh, and Quang Ninh. They also conducted broad discussions on several economic cooperation projects.

The Two Sides' Economies Can Supplement One Another

Huang Qun maintained that as the two sides' economies can supplement one another immensely, the prospects for cooperation were not bad. Guangdong can export light industrial and textile goods needed by Vietnam and receive from the latter raw materials and energy products which Guangdong itself needs. But development of certain special products has to be explored further at a higher level.

Speaking on the development of special products, Huang Qun said that oil wells built jointly by Vietnam and the former Soviet Union in Dau Don City produce considerably high output, with oil production expected to reach 5 million tons this year. But owing to the disintegration of the Soviet Union, cooperation between Vietnam and the former Soviet Union on oil production has also changed. If Guangdong and Vietnam can reach an agreement on oil production and marketing, "then this could be a fairly big transaction."

Aside from petroleum, resource-poor Guangdong can also import vast amounts of fine quality coal, lumber, coffee, and cassava from Vietnam, while Vietnam is more than willing to carry out comprehensive economic and trade cooperation with Guangdong, which boasts substantial capital and technologies. In particular, Vietnam urgently needs to import chemical fertilizers, insecticides, cement, all kinds of farm machinery, light industrial and textile products, steel, and construction materials. It also

needs capital and technology from Guangdong in order to set up enterprises and renovate the aging ones built with China's assistance in the 1950's and 1960's.

But economic authorities here pointed out that while no obstacles are likely to crop up if Guangdong and Vietnam carry out trade exchanges through barter, plans for Guangdong to renovate enterprises through investments and establishment of plants will have to depend on the attractiveness of Vietnam's investment climate.

Need for Further Improvement of Investment Climate

Huang Qun held that Vietnam's investment policies and laws as well as infrastructure have to be improved further, but added that prospects for economic development and cooperation between the two sides were very broad.

Huang Qun said that Vietnam has in recent years established some export-processing zones and offered very flexible policies. It was reported that imported raw materials and equipment are all tax-free, and if Vietnam's raw materials are used in production, simple transporting of these raw materials to the processing zones would be considered exports.

There are reportedly two such development zones in Ho Chi Minh City in Vietnam, and one each in Haiphong and the central region. In particular, the export-processing zones in Ho Chi Minh City and Haiphong City already claim investments by Taiwan and Hong Kong businessmen, but that such investments are still at the land-clearing and water and electricity connections stage. No factories have been built yet because of inadequate infrastructure overall.

"Even though investment laws are still being polished, Vietnam has indeed formulated some regulations and policies which are even more generous than those of Guangdong." Huang Qun added that in welcoming foreign investments, Vietnam also offers its domestic markets, hence foreign businessmen can produce locally and also market their products locally. However, they have to find ways to balance their foreign exchange.

Guangdong Commodities Trade Fair

A letter of intent on certain economic development projects was signed between the Guangdong delegation and Vietnam's tourism department during this trip, but concrete cooperation will reportedly have to be carried out later. Nevertheless, several substantial agreements were reached by the two sides. For instance, the delegation's representative from the China Council for Promotion of International Trade explored with his Vietnamese counterpart a proposal to stage a trade fair in Vietnam, and they reached an initial agreement to exhibit Guangdong products in Ho Chi Minh City in June this year. It was also revealed that a China Products Exhibit will be held in Hanoi in early September this

year, with specific exhibition work to be undertaken by Shenzhen City on behalf of the economic and trade department.

Huang Qun said department stores in Hanoi and other cities carry few Chinese products, hence Guangdong Province hopes that the commodities trade fair will open the way for vast amounts of Guangdong products to enter the Vietnamese market in the future.

Jet Trainer To Be Shown at Singapore Exhibit

OW0702074092 Beijing XINHUA in English
0717 GMT 7 Feb 92

[Text] Singapore, February 7 (XINHUA)—A Chinese new jet trainer will be shown for the first time in the Asian Aerospace 92' exhibition, to be held here from February 25 to March 1, which is organized by the Ministry of Defense of Singapore.

According to the Ministry of Defense, the show will boast two firsts, the new Chinese K-8 jet trainer and a Russian aerobatics aircraft Sukhoi 29, an upgrade of the Sukhoi 26.

The feared tank-killer of the Gulf war, the Apache assault helicopter, will also be displayed in the air show.

The air show will feature about 20 aircraft, including the F-16, F-18, Hawk 100 in the daily hour-long aerial display segment.

Near East & South Asia

Sri Lankan Leaders Greet Counterparts

OW0702083492 Beijing XINHUA in English
0815 GMT 7 Feb 92

[Text] Colombo February 7 (XINHUA)—Sri Lankan leaders have sent messages respectively to their Chinese counterparts on the occasion of the 35th anniversary of the setting up of diplomatic relations between the two countries which falls on today.

President R. Premadasa said in his message to President Yang Shangkun that China and Sri Lanka "enjoyed close and traditional ties of friendship and cooperation in the political, economic and cultural fields for many years."

The president said Sri Lanka values very much China's assistance "given towards the economic and social development of Sri Lanka."

The establishment of diplomatic ties served as an important milestone in bilateral relations and helped to further strengthen the close and cooperative relationship that exists between the two countries.

Prime Minister D.B. Wijetunge said in his message to his Chinese counterpart Li Peng that the traditional friendly

relations between the countries have been reinforced in recent years by the exchange of visits between leaders of Sri Lanka and China.

The prime minister said he believed the friendly relations between the two countries will flourish in the future for mutual benefit.

Sri Lankan Foreign Minister Harold Herath also sent a message to his Chinese counterpart Qian Qichen.

Pakistan Prime Minister on Denuclearization

OW0702071992 Beijing XINHUA in English
0633 GMT 7 Feb 92

[Text] Islamabad, February 7 (XINHUA)—Pakistan Prime Minister Nawaz Sharif has reiterated his country's firm commitment to a complete denuclearization of South Asia for the establishment of ever-lasting peace and harmony in the region.

He said this can only be achieved on a regional basis which called for a willingness by India to work with Pakistan and other countries of the region to move towards a nuclear-free zone.

The prime minister made these remarks during a meeting with former U.S. Senator Charles Percy who is now on a visit to Pakistan on Thursday in Lahore, 265 kilometers southeast of the capital city, according to the official news agency APP [Associated Press of Pakistan].

Pakistan's nuclear program was used by the United States as an excuse for suspending all military and economic assistance to the country in October 1990, which resulted in the damage to bilateral relations between the two countries.

The United States stopped aid to Pakistan under the provisions of a U.S. foreign assistance law "the Pressler Amendment" which links foreign aid with the nuclear issue.

During his meeting with Charles Percy, Nawaz Sharif called upon the U.S. leadership to appreciate Pakistan's constraints and not to use the Pressler Amendment only against one country in the region.

He said it would be fair and in fact more useful if the United States worked with all the countries of the region to ensure an early complete denuclearization of South Asia.

The prime minister proposed in June last year a five-nation conference involving the United States, the Soviet Union (now Russia), China and India and Pakistan itself be held to work out a mechanism to make South Asia a nuclear-free zone [sentence as received].

The United States, which supports the proposal, has been demanding a roll back of Pakistan's nuclear program which is officially stated time and again to be not weapon-oriented.

Pakistan Foreign Secretary Shaharyar Mohammed Khan is currently in the United States and had talks with the U.S. officials during the last three days, focusing on the nuclear issue, according to press reports here today.

But the two sides are still deadlocked over the issue, Shahryar Khan was quoted by today's THE NEWS as saying.

The visit of the Pakistan foreign secretary to the United States was one of the recent efforts from both sides to improve their relations.

West Europe

Further Reportage on Li Peng's Portugal Visit

Talks With Cavaco Silva

*HK0702112292 Beijing RENMIN RIBAO
in Chinese 4 Feb 92 p 1*

[By reporter Ma Shikun (7456 0013 3824): "Premier Li Peng and Prime Minister Cavaco Silva Hold Formal Talks"]

[Text] Lisbon, 3 Feb (RENMIN RIBAO)—Premier Li Peng and Portuguese Prime Minister Cavaco Silva held formal talks with extensive content at the prime minister's residence in a friendly and candid atmosphere this morning.

Premier Li Peng thanked Prime Minister Cavaco Silva for his invitation and warm reception. He said: "Your Excellency the Prime Minister's successful visit to China in 1987 and the signing of the historically significant Sino-Portuguese joint declaration on the issue of Macao represent an important milestone in the history of the development of the relations between the two countries."

On the Macao issue, Premier Li Peng pointed out: "Facts prove that the signing of the Sino-Portuguese joint declaration has played an important part in maintaining the stability and development of Macao. China is unequivocal and firm in its stand and policy of 'one country, two systems' regarding the Macao issue." He said: "After Macao returns to its motherland in 1999, the present system and mode of life of Macao will be continuously maintained and remain unchanged for 50 years."

Prime Minister Cavaco Silva said: "The Sino-Portuguese joint declaration on the issue of Macao is an excellent document. What we should do now is to further implement the spirit and stipulations of the declaration in order to reinforce people's faith in the future of Macao."

Premier Li Peng said: "The Chinese Government pays close attention to maintaining the stability and development of Macao. At present, economic ties between Macao and Hong Kong, on one side, and the mainland, on the other, are growing closer. The mainland's economy is growing, and so are the economies of Macao

and Hong Kong. The fact that the potential for their cooperation is tremendous has provided an important foundation for reinforcing people's faith in the future of Macao."

The two premiers also discussed the issue of building Macao International Airport. Premier Li Peng pointed out: "China hopes that the building of an efficient airport can be completed at an early date which will not leave a burden of debt on the Macao Special Administrative Region. We will provide whatever cooperation we can."

Premier Li Peng congratulated Portugal on its assumption of the EC presidency for the first half of this year. He said: "In the wake of World War II, there has been a fairly long time when Europe was relatively stable. However, Europe has become one of the most turbulent regions in the world today. Fighting has continued in Yugoslavia, and following the disintegration of the Soviet Union, the situation there is hard to predict. During the Security Council summit, I was impressed that worry about international peace and security was widespread, be it among developed or developing countries. In this situation, China is in favor of strengthening its cooperation with the EC, and that cooperation will be an important factor for world peace and stability."

On cooperation between China and the EC and between China and Portugal, Premier Li Peng maintained: "The economies of China and the EC are to a great extent mutually complementary; therefore, the potential for economic and trade relations is tremendous."

Prime Minister Cavaco Silva praised China's achievements in its modernization construction and expressed the EC's willingness to strengthen economic and trade ties with China.

Premier Li Peng invited Prime Minister Cavaco Silva to visit China at a convenient time. Silva expressed his gratitude.

Meets Assembly President

*HK0702102292 Beijing RENMIN RIBAO
in Chinese 5 Feb 92 p 3*

[By reporter Ma Shikun (7456 0013 3824): "Premier Li Peng Meets With Portuguese Assembly President Barbosa de Melo"]

[Text] Lisbon, 3 February (RENMIN RIBAO)—Premier Li Peng said here today that "China attaches importance to improving democracy and the legal system in accordance with China's own conditions and to ensuring the basic rights of the citizens."

He made these remarks during a meeting with Portuguese Assembly President Barbosa de Melo, the deputy presidents, and leaders of assembly groups from various political parties. On behalf of the assembly, President de Melo extended warm regards to Premier Li Peng. He said: "Your Excellency the Premier comes from a great country. The

Chinese nation is outstanding in the world. Here we are delighted to welcome Your Excellency and your delegation, and we hope that Premier Li Peng's visit to Portugal will further promote Portugal-China relations."

Premier Li Peng expressed thanks to President de Melo, the deputy presidents, and leaders of assembly groups from various political parties for their welcome. He briefed them on the organizational structure and functions of China's National People's Congress. He also expressed welcome to President de Melo and other assembly leaders to visit China when they have time so that they can get first-hand information about China. He said that "seeing is believing." A visit to China will help them increase understanding of China's real situation. Better mutual understanding is the foundation for the strengthening of cooperation.

Leaders of the assembly groups of various parties also spoke during the meeting. They briefed Li Peng and his delegation on their own parties' views and suggestions on expanding Portugal-China relations, and wished Premier Li Peng's current visit a success.

People of the Chinese side who were present at the meeting included Qian Qichen, Chinese State Councillor and foreign minister; Li Lanqing, minister of foreign economic relations and trade; Ma Hong, director of the State Council's Development and Research Center; Qi Huaiyuan, director of the State Council's Foreign Affairs Office; Jiang Enzhu, vice minister of foreign affairs; and Guo Jiading, Chinese ambassador to Portugal.

People of the Portuguese side present at the meeting included Deputy President Ferraz de Abreu, Deputy President Jose Manuel Maia, Deputy President Adriano Moreira, and leaders of assembly groups from various political parties, including the Social Democratic Party, the Social Democratic Center Party, the Portuguese Socialist Party, the Portuguese Communist Party, and the Green Party.

Gives Speech at Banquet

HK0702121292 Beijing RENMIN RIBAO
in Chinese 5 Feb 92 p 3

[Dispatch: "Premier Li Peng Speaks at Welcome Banquet Hosted by Prime Minister Silva"]

[Text] Lisbon, 3 Feb—Chinese Premier Li Peng delivered a speech at a welcome banquet hosted by Prime Minister Silva this evening. The following are detailed excerpts of his speech:

Sino-Portuguese contacts have had a long history. Since the establishment of diplomatic relations, both countries have achieved gratifying results in their friendly relations of cooperation. In 1987, Your Excellency, Mr. Prime Minister visited China and signed a joint declaration on the Macao question reached by both governments, which symbolized the milestone in the bilateral relations development. Over the past four years ever

since Macao entered the transitional period, both sides have carried out fruitful cooperation in implementing the joint declaration, thus laying a basis for the smooth transition in Macao. The Chinese Government has always attached great importance to its friendly relations of cooperation with Portugal. We are willing to join hands with the Portuguese Government in making unremitting efforts to strengthen such relations.

In the first half of this year, your country is to serve as the EC president. Developing long-term, stable, and friendly relations of cooperation with the EC and its member countries remains an important component of China's foreign policies. China attaches great importance to both the status and the role of the EC in the international affairs. There are no fundamental conflicts of interests between China and West European countries. Instead, the two sides hold identical views on many major international issues. Economically, the two sides can learn from each other's strong points to offset each other's weaknesses and further mutually beneficial cooperation with each other. The differences in politics, social systems, and ideology between China and West European countries should not become an obstacle to the normal bilateral relations development. We are convinced that so long as both sides follow the principle of seeking common ground while reserving differences and adhering to mutual respect, mutual non-interference in each other's internal affairs, equality, and mutual benefit, relations between China and West European countries will certainly witness continued development within a healthy orbit, which will not only conform to the interests of both sides but also be conducive to world peace, stability, and development.

At present, the general situation in the world still remains complex and volatile. Although conflicts in some areas have been settled or will be settled soon, factors which have created a tense international situation have yet to be thoroughly eliminated. World peace is still being threatened by a host of factors. The international economic environment still remains rigorous while the gap between the rich and the poor, as well as between the north and the south, is still widening. The establishment of a new international order, which is just and reasonable, has become an issue of common concern in the international community. China is willing to strengthen cooperation with all West European countries, including Portugal, in making concerted efforts to attain this important goal.

At present, China is enjoying political stability, economic growth, and social stability. The livelihood of the Chinese people has also improved notably. We will unwaveringly deepen reforms, expand opening up, and maintain a sustained, steady, and coordinated economic growth. This will only serve to make it even more possible for China to expand trade relations with all West European countries, including Portugal. I believe that the mutually beneficial Sino-Portuguese cooperation has broad prospects.

Li, Entourage Conclude Official Visit to Spain**Talks With Prime Minister**

*CM0702084992 Beijing RENMIN RIBAO
in Chinese 6 Feb 92 p 1*

[“Dispatch” by RENMIN RIBAO reporter Ma Shikun (7456 0013 0981) and ZHONGGUO RIBAO (CHINA DAILY) reporter Zhu Ling (2612 7227): “Premier Li Peng and Prime Minister Gonzalez Hold Talks”]

[Text] Madrid, 5 Feb (RENMIN RIBAO)—Premier Li Peng and Spanish Prime Minister Felipe Gonzalez held formal talks at the Prime Minister's residence in Moncloa Palace this morning. Before the formal talks, the two leaders also held about one hour of private talks. After this, the two leaders had an in-depth exchange of views on a variety of subjects including the international situation and bilateral relations.

Premier Li Peng said: “Given the profound changes taking place in the world, the situation is far from being tranquil. The gap between North and South is widening. The two major issues of peace and development, which are facing the world, have yet to be solved. At the same time, the trend of global multipolarization is accelerating. Under such a situation, it is a common wish of the people of the world to establish a new international political and economic order conducive to peace and development. The discussions at the just-concluded UN Security Council summit have given expression to this point. Premier Li Peng noted: “China supported the establishment of a new international political and economic order founded on the five principles of peaceful coexistence and other similar principles. The United Nations should play a greater role in this endeavor.”

Prime Minister Gonzalez agreed with Premier Li Peng's analysis of the international situation. He maintained: Spain and China should join forces to promote a multipolar world and support the United Nations in playing a bigger role in international affairs.

Speaking about bilateral ties, Premier Li Peng said: “Although Sino-Spanish relations have experienced temporary difficulties over the past two years, they have been rather quickly restored and are now developing momentum.” He held: China and Spain have no conflicts of fundamental interest and share many identical or similar views on international issues. The two countries are economically complementary and there is great potential for a further expansion of bilateral relations. The two countries' economic and trade cooperation is developing in depth.

For his part, Prime Minister Gonzalez expressed admiration for the great changes and outstanding achievements brought by China's reforms. He held: China is a factor for stability in the world. He hoped that the two countries would further expand cooperation in various areas on the basis of a deepened mutual understanding. He said: Spanish entrepreneurs are greatly interested in

investing in China, and the Spanish Government will positively support them. Spain is also willing to work hard to improve and expand ties between the European Community and China.

Gonzalez expressed support for resuming China's status as a contracting party in the General Agreement on Tariffs and Trade and wished China success in its application to host the Olympic Games in the year 2000.

Speaking about the situation in Venezuela, Premier Li Peng said: “China maintains good relations with Venezuela. I had a cordial meeting with Venezuelan President Perez in New York a few days ago. We are delighted that the Venezuelan Government has quickly quelled the mutiny staged by some military men. We hope that the Venezuelan Government and people will, under the leadership of President Perez, continue to maintain the country's stability and development.”

Premier Li Peng extended an invitation to Prime Minister Gonzalez to visit China again at a convenient time and the latter expressed gratitude for the invitation.

Second Round of Talks Held

*OW0602174792 Beijing XINHUA in English
1722 GMT 6 Feb 92*

[Text] Madrid, February 6 (XINHUA)—Visiting Chinese Premier Li Peng and his Spanish counterpart Felipe Gonzalez Marquez held their second round of talks here today to exchange views on bilateral relations.

Li said they had had very good talks during the last two days, and his visit had been fruitful.

Gonzalez agreed with Li, saying that Li's visit would help promote Sino-Spanish and Sino-EC relations.

Gonzalez said the trade agreements signed by the two countries during Li's visit were embodiments of the development in bilateral relations between China and Spain.

Li followed that the signing of these accords was just the beginning of cooperation between the two countries.

China and Spain enjoyed very good political relations and the economies of the two countries were highly complementary, he said.

He predicted that on the basis of equality and mutual benefit, cooperation between the two sides would see greater progress in various fields.

The Chinese premier also briefed Gonzalez in the measures adopted by China to revive state-run large and medium-sized enterprises. He said it was not true to say no state-run enterprises could be operated successfully.

Gonzalez agreed with Li, saying “Spain's state-run enterprises are quite efficient. The key lies in management.”

The two prime ministers decided to promote exchange of personnels between the two countries in a bid to strengthen Sino-Spanish cooperation.

Meets Senate President

OW0602164292 Beijing XINHUA in English
1625 GMT 6 Feb 92

[Text] Madrid, February 6 (XINHUA)—Chinese Premier Li Peng met here today with President of the Spanish Senate Juan Jose Laborda and both agreed that bilateral relations should be further promoted.

The president spoke highly of the achievements China scored in its reform and of the political stability in the country.

He also voiced his support for further enhancing relations between the two countries, especially in the economic and trade areas.

Premier Li brief the president on the domestic situation in China and stressed that given the political stability in the country, China is speeding up the pace of reform and the opening-up to the outside world.

He agreed with the president that bilateral ties should be further promoted and predicted good prospects for future cooperation in the economic and trade fields.

Countries Sign Investment Accord

OW0602214492 Beijing XINHUA in English
2055 GMT 6 Feb 92

[Text] Madrid, February 6 (XINHUA)—China and Spain today signed an agreement on investment protection.

The agreement, signed by Chinese Foreign Minister Qian Qichen and his Spanish counterpart Francisco Fernandez Odonez, will be in force for a period of 10 years.

Visiting Chinese Premier Li Peng and Spanish Prime Minister Felipe Gonzalez Marquez were present at the signing ceremony.

Departs Barcelona for Home

OW0602214092 Beijing XINHUA in English
2126 GMT 6 Feb 92

[Text] Barcelona, February 6 (XINHUA)—Chinese Premier Li Peng wound up his official visit to Italy, Switzerland, Portugal and Spain, and left here for home this afternoon.

During his brief four-hour stay in Barcelona, the premier met with Joroi Pufol, head of the Catalonia region and Pasqual Maragall, mayor of Barcelona.

He also visited the Montjuic Stadium and other facilities for the Olympic Games this summer.

Earlier today, China and Spain signed an agreement on investment protection which has a validity period of 10 years.

During his 11-day trip, Li met with heads of the four countries, their parliamentary leaders, and industrial and business representatives.

He held fruitful talks with government leaders of these countries.

The Chinese premier also delivered an important speech at the annual meeting of the World Economic Forum in Davos, Switzerland, and attended the summit of the United Nations Security Council in New York.

XINHUA Reports Return

OW0702085792 Beijing XINHUA in English
0843 GMT 7 Feb 92

[Text] Beijing, February 7 (XINHUA)—Chinese Premier Li Peng returned here this afternoon by special plane after an 11-day trip to four west European countries.

Li visited Italy, Switzerland, Portugal and Spain from January 27 to February 6. During this period, he also delivered a speech at the annual meeting of the world economic forum in Davos, Switzerland, and attended the first summit meeting of the United Nations Security Council in New York.

Greeting Li Peng at the great hall of the people this afternoon were Chinese Communist Party General Secretary Jiang Zemin, vice-premiers Yao Yilin and Wu Xueqian, Vice-Chairman of the National People's Congress Standing Committee Ni Zhifu and Secretary-General of the State Council Luo Gan.

Diplomatic envoys of the four European countries to China and a representative of a UN institution in Beijing also greeted Li at the Great Hall of the People.

Li's entourage, including his wife Zhu Lin, State Councillor and Foreign Minister Qian Qichen, Minister of Foreign Economic Relations and Trade Li Lanqing, Director of the Development and Research Center of the State Council Ma Hong and Director of the Foreign Affairs Office of the State Council Qi Huaiyuan, returned aboard the same plane.

Li Trip 'Major Breakthrough in Diplomacy'

HK0702042092 Hong Kong TA KUNG PAO
in Chinese 7 Feb 92 p 2

["Political Talk" column by Shih Chun-yu (2457 0689 3768); "New Breakthrough in China's Diplomacy"]

[Text] Meeting Many Heads of Governments

Chinese Premier Li Peng, accompanied by Foreign Minister Qian Qichen, has concluded his trip to four European countries. Qian Qichen held a news conference in Madrid

the previous day, and said the visit had been "successful" and "fruitful." This assessment is appropriate.

Apart from visiting Italy, Switzerland, Portugal, and Spain, the Chinese premier also attended a summit of the 15 members of the UN Security Council in New York, met the leaders of the Security Council's member countries, held talks with the leaders of the United States, France, Britain, Japan, and Russia, and met with Ghali, the new UN secretary general. This series of frequent summits is a reflection of China's major breakthrough in diplomacy and proves that China is not isolated in the international community. It also shows that various countries realize that relations within the international community and the world would be unimaginable without China's participation.

At present, the international system is witnessing a major turning point. The old pattern has ended and the new pattern has yet to take shape. The world is moving toward multipolarity. The "U.S.-Soviet" confrontation has become history, but new conflicts keep emerging. Although a major war is not likely, the world is not peaceful. Future developments embrace more unstable and unpredictable factors.

China's Stability Helps World Stability

As the world's most populous country and a major Third World power, China's position is more important and prominent in today's world. This time, Premier Li Peng attended the Security Council summit and met the leaders of the European countries, the United States, and Japan; he discussed directly with them the problem of how to strengthen the United Nations' role in safeguarding world peace, as well as bilateral relations. This has a positive impact in stabilizing the international situation and enhancing economic and trade relations.

The talks between the Chinese and British premiers and between the Chinese and Portuguese premiers scored achievements in maintaining stability in Hong Kong and Macao and in realizing a smooth transfer of power in 1997 and 1999. These gains have a close bearing on the interests of Hong Kong and Macao compatriots, and are naturally the focus of attention.

Although Li Peng's trip met with some purposeful demonstrations organized by some people in Italy and the United States, the historical function of the trip was not hurt a bit. The governments and heads of various countries attach importance to China's status in the world, as well as its substantive results in reform and opening up.

It is undeniable that China's current situation is characterized by political stability, a peaceful society, national unity, and a continuously developing economy. More importantly, China devotes itself to economic construction and will not cause a threat to any country or region in the world, nor will it seek its own sphere of influence. This is certainly a force for world stability.

China Has Its Own Stand on the Human Rights Issue

Apart from explaining China's ideas on international problems and its position on the human rights issue, Li Peng's visit also achieved concrete results in the economic area. China and Italy signed a contract on developing an ethylene plant in Guangzhou; and China signed contracts with Portugal and Spain on investment protection. Thus, Sino-European relations have been enhanced.

When the world changes to a multipolar pattern—and along with China's continuous expansion of opening up to the outside world—China's economic and trade relations with the EC will certainly be steadily strengthened. At present, the EC is China's second-largest trade partner after Japan. China's economic achievements in the Asia-Pacific region and its prospects for development have been recognized by the world; and China's potential is all the more a matter of interest to various countries.

Politics always has economic strength as its background. China resolutely takes economic development and improvement of people's living standards as its top state policy, while its diplomatic policy aims at safeguarding world peace and development. We "know a person's intentions by associating with him for a long time," and China's position is being understood and praised by more and more countries in the world. Likewise, the results of Li Peng's trip are apparent to everyone.

Political & Social

Article Examines Hardliners' Criticism of Zhao
HK0702063992 Hong Kong CHENG MING in Chinese
No 172, 1 Feb 92 pp 13-14

[“Notes on Northern Journey” by Lo Ping (5012 0393);
“A Farce on ‘Intensive Criticism of Zhao’”]

[Text]

Hardliners Want To Use Attack on Zhao as Excuse To Hit at Deng

“The Zhao Ziyang question ends here.” Deng Xiaoping has long wanted to stop the debate on the Zhao Ziyang question within the party’s top hierarchy. But the directives from this paramount leader of the CPC sometimes do not work as effectively as an emperor’s edict. Certain people in the top hierarchy, including Li Peng, do not want to confine the Zhao Ziyang question to the fourth plenary session’s pronounced decision on this issue in 1989, but want to pursue it further by proposing to view the Zhao Ziyang question from the high plane of the two lines. A month ago, that is, in late December 1991, Song Renqiong, vice chairman of the CPC Central Advisory Committee, also raised a similar opinion and even indicated before some old cadres that he did not agree with Deng Xiaoping’s “end here” directive.

The hardliners’ objective is very clear—they intend to push the downtrodden Zhao Ziyang even deeper down and prevent him from being rehabilitated, which, in essence, would mean disallowing further development of the reform and opening up. The hardliners’ core members also have another motive and that is, to use the attack on Zhao as an excuse to hit at Deng, and undercut Deng Xiaoping’s absolute authority in the party to pursue a leftist extremist line.

Deng Liqun Puts “Bourgeois” Label on Zhao

To make it impossible for Zhao Ziyang to be rehabilitated, the hardliners continued investigated Zhao in the hope of finding an excuse to completely end his political life and even give him a criminal sentence. At the same time, they assembled “Trotskyite” writers to launch a denunciation of Zhao Ziyang’s “bourgeois liberalization” in speech and in writing, churning out volumes of articles of condemnation. Recently, a new development has emerged in the hardliners’ “intensive criticism of Zhao,” that is, the criticism of democratic socialism, because they believe that Zhao Ziyang has shown an inclination toward democratic socialism.

The “duty-bound” leftist king, Deng Liqun, has assumed the heavy burden of “criticizing democratic socialism.” The writers under his command are already rolling up their sleeves as they prepare to charge to the “ideological front.” In particular, Chen Xianda’s [7115 0341 6671] article: “Philosophy’s Humanism and Democratic

Socialism” pointed out that the philosophical foundation of democratic socialism is humanism—a bourgeois “philosophy” which does not talk about class nature and class struggle. A philosophy professor in Beijing commented: “Deng Liqun has explicitly put the ‘bourgeois’ label on Zhao Ziyang.” I agree with him. Deng Liqun and his cohorts are resorting not only to underhanded means but also to open tactics, but this is just the beginning and more will follow very swiftly.

Li Peng Organizes a Team To Denounce “Democratic Socialism”

Reports claimed that Li Peng also has an important role in the “antidemocratic socialism” drive. He has formed a writing team at the State Council made up of Luo Gan [5012 0051], Yuan Mu, and Gao Di. The team has written a major article, which was distributed to cadres above the department level in certain units under the title: “Study and Reference Material” and in the form of “confidential internal material.” The “study and reference material” is a reference material for opposition to peaceful evolution, with its main features focused on the criticism of democratic socialism (Editor’s note: Please see this issue’s “Hardlines Criticize Democratic Socialism”).

This major article suffered numerous setbacks before it was published. The writing of the first draft was a very laborious process, with the writers under Luo, Yuan, and Gao encountering a number of headaches.

Numerous Problems Encountered in Writing of the First Draft of “Criticism of Democratic Socialism”

—It is not difficult to use theoretical dogma to criticize contemporary democratic socialism. For instance, why is it said that democratic socialism is a contemporary reformist idea which is opposed to Marxism, that it is an opportunist idea born within the ruling Communist Party under contemporary international conditions, that it is the product of submission to external imperialist pressures and concession to internal anticommunist and antisocialist forces, that it is the pursuit of the capitalist system under the banner of socialism, and others? This type of critical writing can be copied mostly from articles on the “nine criticisms” of “Soviet revisionism” and of “Khrushchev’s revisionism” from the 1960’s, either entirely or with slight modifications. But it is very difficult to present facts on how democratic socialism has failed in the international political arena and Europe. The current great climate in contemporary international politics is: “Scientific socialism” has failed while democratic socialism is on the rise and has gained some advances and victories in certain countries in Northern and Western Europe. How can the “criticism of democratic socialism” be initiated in writing?

He Xin-Type Adviser Offers Suggestions

—A He Xin-type adviser offered this suggestion: We can emphasize the failures of democratic socialism in the

Soviet Union and East Europe to prove that democratic socialism has a dim future. But another leftist scholar questioned: Not all countries in East Europe carry the banner of democratic socialism, and even if they are indeed moving toward this direction, they are in fact in a transition period of totalitarian socialism to democratic socialism.

If an assertion is made that an emerging system which has yet to take its first formal steps is already a failure, this assertion lacks logical and factual evidence.

Writers Find It Hard To Argue Their Case

—The writers were practically at their wits' end. But later, someone came up with a brainstorm, proposing to interpret Gorbachev's gradual decline in political standing as a setback to democratic socialism. The reason is that Gorbachev had advocated "democratic and humanitarian socialism" in his book, "Perestryoka," and this is ordinarily described as democratic socialism. Gorbachev's rise and fall proves that democratic socialism's life during the evolution of socialism is a brief one and will eventually be abandoned by the people. But this thesis could not even pass the first questioning. Yuan Mu and his cohorts said: Even if Gorbachev has lost power, it does not prove that democratic socialism has been genuinely defeated in the Soviet Union. This point may have been demonstrated by the "19 August" incident, but Gorbachev's political rival Yeltsin has "new ideas" which are even "newer" than Gorbachev's and could be closer to democratic socialism, and thus represent an even more complete betrayal of scientific socialism and Marxism. In case Yeltsin prevails, how can we argue our case?

Having exhausted their arguments, the writing team pressed on with their vigorous criticism of democratic socialism by resorting to superficial means, citing "treason," "evils," and many other things just so they can claim to have done their job.

Li Peng's Directive: "More Persuasiveness Needed"

But they failed to secure Li Peng's approval.

While Li Peng is a political mediocrity, he is also a calculating person who saw through the article's loopholes. The two most critical sections were:

The class struggles, dictatorship of the proletariat, political integration (one party rule), bureaucratism, centralized economic planning, and other things which are opposed by democratic socialism are also the subject of discontentment among the people at present.

The nonclass theory, democracy and liberty, pluralism, and others advocated by democratic socialism are also what the people welcome and aspire for presently.

While Li Peng did not, nor wanted to, say so directly, he must have had an idea himself and was at least not entirely "blind to the popular will." He reportedly wrote

10 characters on the second draft of the article: "Lacks some persuasiveness. More should be added." A cadre who had contacts with a Li Peng confidante claimed: "Li Peng's views are: Criticism of democratic socialism, in effect the criticism of Zhao Ziyang, should be 'directed accurately for it to be forceful.'"

Unconvincing, Poorly Argued Article Can Only Serve as Reference Material

Consequently, the leftist scholars again took up their pens to make some "modifications" but did not make much headway as the loopholes were still there. For one thing, the article was false, and secondly, it produced a negative effect—creating counter propaganda for democratic socialism and a comparison which renders "scientific socialism" even more untenable. Hence, this article was almost killed off. But Li Peng waved his pen and while he did not agree to the article's formal publication, he ordered that it be distributed within a small circle as "reference material."

This farce reminds one of an old but widely known idiom—"twisted logic and poor wording."

Wang Zhen Remarks Ordered To 'Not Be Conveyed'

HK0702101692 Hong Kong CHENG MING in Chinese
No 172, 1 Feb 92 p 15

[Article by Yueh Shan (1471-1472): "Wang Zhen Calls for Continued Criticism of Zhao"]

[Text]

"Zhao Ziyang is the Typical Representative of the Bourgeoisie"

Before and after the Eighth Plenary Session of the Central Committee, Wang Zhen invited guests to banquets at the Diaoyutai Guesthouse and Beijing Hotel, where he would grumble when pretending to be drunk. Before Christmas, he still rejected people's advice and continued to give speeches everywhere. In early December, he gave an absurd speech at the joint conference of the leading members of the Beijing Municipal Party Committee, municipal government, and Municipal People's Congress, saying: "At present, Marxist-Leninist parties around the world have placed their hope on our PRC capital. You should feel exceedingly glorified for this. In the future, you should hold higher the banner of Marxism-Leninism-Mao Zedong Thought and courageously struggle against all sorts of bourgeois ideas and personalities. You should be ready to sacrifice everything you have, even your own life...." He then lied, saying: "Zhao Ziyang is a typical representative of the bourgeoisie. Many people at home and abroad are calling for Zhao Ziyang's vindication. They even wish he could resume a post. These people also exist among high-ranking party members. The majority of comrades of the Political Bureau and I are resolutely against this. We should continue to unearth and criticize Zhao Ziyang's mistakes."

Bury Capitalism, Rebuild the Soviet!

On 11 December, Wang Zhen went to the Central Party School to mourn over the Soviet Union, which had been swept onto the garbage heap of history. He denounced Gorbachev and Yeltsin as apostates and shouted: "Marxism will beat capitalism. The revolutionary history of the Soviet Union will not end in its present form. A second people's revolution will occur in the great home of the October Revolution which will bury capitalism and rebuild the soviets!" He Gives Zhao Ziyang a New Title [subhead]

On 15 December, Wang Zhen appeared again in the Great Hall of the People and bragged before leaders of the Central Committee of the Communist Youth League and of the Federation of Trade Unions about the old tune of class struggle and two-line struggle and then spoke about the "integration of theory and practice." He then gave Zhao Ziyang the new title "bourgeois faction in power within the party." He encouraged "all Communist Party members, Communist Youth League members, and the working class to defend the fruits of the revolutions with their blood and lives." Finally, Wang Zhen raised his bony right arm and shouted: "Defend Marxism, Leninism, and Mao Zedong Thought! Uphold the dictatorship of the proletariat!"

Some cadres maintain that in Wang Zhen's remarks, he reused the rhetoric once popular during the Cultural Revolution. A Central Party School teacher compared Wang Zhen to a cannon left over by Mao Zedong.

Deng Xiaoping Has Advised Him Many Times, But to No Avail

Deng Xiaoping had advised and criticized Wang Zhen many times, but he saw that this "veteran general" behaved more and more willfully. He then asked Yang Shangkun and Bo Yibo to tell Wang Zhen to "think twice before he does anything." Moreover, in a speech, Deng said angrily: "Old Wang has been abnormal when giving many of his speeches. Who does he represent? Why has he made such irresponsible remarks everywhere? He is a party member who should emphasize party spirit and obey the party central committee. There is no exception for anyone."

The Secretariat Instructs That Wang Zhen's Remarks Should "Not Be Conveyed"

Furthermore, the Central Secretariat also gave instructions to relevant departments, saying: "Comrade Wang Zhen's recent remarks should not be conveyed or spread. Some of his remarks and views in his speeches are incorrect."

The fact that lately Wang Zhen has made irresponsible remarks everywhere has irritated Deng Xiaoping, Yang Shangkun, and Jiang Zemin. If he continues doing this, we are afraid this "leftist cannon [Wang Zhen]," which is getting less and less antipersonnel, will be thrown as garbage.

Paper: CPC Personnel 'Betraying Country' Abroad

HK0702085392 Hong Kong CHENG MING in Chinese
No 172, 1 Feb 92 pp 23-24

[By Shang Fang-ming (1424 2455 2494): "How Many CPC Officials Have Made Political Recantations Abroad?"]

[Text] Last December, the State Council received a report from the Ministry of Foreign Affairs and the Ministry of Public Security. The report contained figures on CPC personnel who have left their posts (made political recantations) or were missing abroad. They included personnel working in the Chinese embassies in other countries, party and government officials who had been sent abroad, and members of various delegations visiting other countries. The following are the secret figures disclosed by the report:

Some 187 Personnel of Chinese Embassies, Consulates, and Other Organs in Other Countries Have Betrayed Their Country

Some 187 personnel of the Chinese embassies, consulates, and commercial, economic, and cultural institutions stationed abroad, including seven cadres at and above the departmental and bureau level [si ju ji 0674 1444 4787] and 92 cadres at and above the section level [chu ji 5710 4787], have "betrayed their country" or were "missing" abroad.

Of the 187 betrayers, 131 betrayed their country immediately after the 1989 "4 June" incident.

Another 50 betrayed their country in 1990.

The other six did the same in 1991.

Some 165 Members of Political and Economic Delegations Have Betrayed the Country

A total of 165 members of political and economic delegations have left their delegations or were missing abroad.

Of them, 120 betrayed the country in 1989, including 37 who were visiting other countries during the last 10 days of May 1989 and who did not return or who had left their delegations by the due date.

Another 34 betrayed the country in 1990.

The other 11 did the same in 1991.

Some 329 Members of Science, Technological, Cultural, and Sports Delegations Have Betrayed the Country

A total of 329 members of scientific, technological, cultural, arts, and sports delegations have betrayed their country or were missing. They were from 38 such delegations, or visiting teams and groups. Of them, 254 betrayed the country in 1989.

Another 61 did the same in 1990.

The other 14 did so in 1991.

Some 287 Personnel Accredited to or Visiting Hong Kong and Macao Betrayed the Country

A total of 17 personnel from the CPC Central Committee and State Council political organs in Hong Kong and Macao have betrayed the country or were missing. Of them, 12 betrayed the country in 1989, and the other five did the same in 1990.

Some 188 personnel from the economic, trade, and tourist organs in Hong Kong and Macao which were under the jurisdiction of the departments, committees, groups, and offices under the CPC Central Committee, the State Council, and various provinces, municipalities, and autonomous regions had fled the country or were missing.

Some 82 members of delegations visiting Hong Kong and Macao had left their delegations and had not returned to China. Of them, 39 were missing in 1989.

Another 31 were missing in 1990.

The other 12 were missing in 1991.

These figures disclosed by the Ministry of Foreign Affairs and the Ministry of Public Security do not include a large number of senior cadres' children and some party members and cadres who had resigned or retired and who had been sent abroad and had not returned to China by the due date.

Wang Renzhi on Philosophy, Social Sciences

*HK0502022292 Beijing RENMIN RIBAO in Chinese
15 Jan 92 p 5*

[Article by Wang Renzhi, director of the Propaganda Department: "Unite and Strive To Bring About a Flourishing Philosophy and Social Sciences—Speech at the National Conference on Planning for Philosophy and Social Sciences in the Eighth Five-Year Plan Period (Excerpts) (12 December 1991)"]

[Text] To fulfill the demands in philosophy and the social sciences as spelled out in the Outline of the 10-Year Program and the Eighth Five-Year Plan for National Economic and Social Development, the national leading group on the planning of philosophy and the social sciences decided to convene this meeting with the principal aim of discussing the key topics in philosophy and the social sciences as laid down in the Eighth Five-Year Plan. In this connection, the meeting will also discuss issues on how to bolster philosophy and the social sciences. I wish to present certain views here on behalf of the leading group.

One. The new historical period and the important role of philosophy and the social sciences

At present, the world structure is in a period of transition from old to new, while our country's socialist modernization and construction is also at a critical stage. In view of the complex international situation and the enormous domestic tasks, it is imperative that our philosophy and social sciences should undergo a new development and advancement and play a greater role in inspiring our people to win new victories for the socialist cause.

From the international perspective, we are faced with two challenges: (1) The challenge posed by the world economic competition and the new technological revolution. (2) The stepped-up pursuit of a peaceful evolution strategy by international hostile forces. Whether or not these challenges can be dealt with effectively is related to the future and destiny of our socialist system as well as to the rise and fall of the Chinese nation. We have to meet and overcome these challenges.

Internally speaking, since the Third Plenary Session of the 11th CPC Central Committee, and under the leadership of the party Central Committee with Comrade Deng Xiaoping as the core, we have smoothly achieved the first-step strategic objective in the modernization endeavor by adhering to economic construction as the central task, upholding the Four Cardinal Principles, abiding by reform and opening up, and are resolutely advancing along the socialist path. After the Fourth Plenary Session of the 13th CPC Central Committee, the party Central Committee with Comrade Jiang Zemin as the core continued to pursue the basic line of "one center and two basic features," and carried out correct policies and guidelines. Under the joint efforts of the people of all nationalities around the country, our country achieved economic, political, and social stability, while the people are confidently striving for the realization of the second-step strategic objective in the modernization endeavor. At the same time, we should also note that there remain many problems which have to be ironed out in our domestic economic, political, and social life. The confrontation between bourgeois liberalization and the Four Cardinal Principles will exist for a long time, while certain elements of instability will remain or even arise in the society. We still have to make relentless efforts and refrain from the slightest idleness in order to resolve all kinds of contradictions and problems adequately, continue to maintain a stable growth, resolutely improve the economy, and achieve the stated strategic objective.

Research in philosophy and social sciences is a front led by the party, and as an important force in modernization and construction, workers in philosophy and social sciences shoulder a heavy historic task in the endeavor to meet the challenges and open up the future, and should therefore actively contribute their own efforts.

Historical experience as well as the realities of struggle tell us: The fundamental guarantee for victory in the

cause of the proletarian revolution and socialist construction lies in adherence to guidance by Marxist theories. At no time can the proletarian political party ignore theoretical work on Marxism nor work in philosophy and the social sciences. This is so when the revolutionary cause is either at a high tide or at a low ebb. Generally speaking, when the revolutionary cause is at a high tide, this high tide in itself is made possible by revolutionary theories. During this time, the revolutionary cause, imbued with irresistible force, can move with blinding swiftness. Therefore, the proletarian party needs to apply theories to predict the general trend in the development of the revolution, and draw up the correct plans of action and guidelines in order to guide the people in surging ahead. During this time, revolutionary theories constitute an important condition for winning, furthering, and consolidating victory. Meanwhile, when the revolutionary cause is at a low ebb and has suffered setbacks, it is even more necessary for the proletarian party to apply theories in analyzing the contradictions and summing up lessons in order to find the answers to tough practical questions, look for the path ahead, and awaken the people's fighting spirit. During this time, theories are an indispensable condition to push the revolutionary cause out of the low ebb and into a high tide; they are vital ammunitions needed to open up a new situation for the revolutionary cause. Today, the international communist movement is at a low ebb, while the world socialist cause has suffered a serious setback. We will encounter many obstacles and problems both at home and abroad, as we insist on the socialist path and on the building of socialism with Chinese characteristics under these circumstances. Therefore, it is even more necessary for us to put a high premium on theoretical work on Marxism as well as on research work in philosophy and social sciences so that they can display their full potentials. Only under the guidance of Marxism can we study and discover the laws and special features in the development of capitalism and of socialism. We can only provide forceful theoretical guidance to the socialist modernization and construction endeavors as well as to reform and opening up by answering in theoretical terms the big questions arising from practical undertakings, and therefore assure the progress of the socialist modernization and construction endeavors as well as of reform and opening up in the right direction; we will then be able to convince and educate our people and our young people to firm up their conviction in socialism and give full play to their socialist initiatives. Furthermore, it is only possible to enhance the people's ability to make distinctions of right from wrong, contain and destroy the ideological offensives of hostile forces both at home and abroad, and consolidate as well as develop the cause of socialism with Chinese characteristics by applying the sharp weapon of Marxist theories to dissect and criticize the bourgeois ideological system. At the same time, our theories as well as our philosophy and social sciences can only be developed and promoted and be able to display their vitality, fighting power, and creativity by responding to the calls of the times and

demands of the practical undertakings, and in the course of answering important practical issues and battling with all kinds of wrong ideas.

Our philosophy and social sciences front has had a glorious tradition, and has presented valuable scientific and technical findings in the period of the revolution and construction. Since the Third Plenary Session of the 11th CPC Central Committee, the masses of social scientists have exerted great efforts and achieved satisfactory results in discussing the yardsticks of truth, summing up the historical experiences since the birth of the PRC, serving the cause of modernization and construction and of reform and opening up, upholding the Four Cardinal Principles, and opposing bourgeois liberalization. These results have played a major role in our party's creation of the theories on building socialism with Chinese characteristics, and its formation of the basic guidelines, policies, and principles concerning the preliminary stage of socialism. Both the party and the people fully affirmed the positive contributions of the masses of social scientists. Naturally, our philosophy and social sciences front still has many defects and still lags behind practical developments. We are convinced that the social scientists will be able to inherit their glorious traditions, further their achievements, overcome their weaknesses, and continue to make new contributions.

Two. Heavy tasks confronting the domain of philosophy and social sciences

Building socialism with Chinese characteristics is the basic undertaking of our people at this stage. The fundamental task in philosophy and the social sciences is to study the economic, political, and cultural problems, both in theory and in practice, concerning this undertaking from various aspects and perspectives under the guidance of Marxism in order to provide a forceful theoretical guidance, effective policy basis, and favorable public opinion for this great undertaking.

Philosophy and social sciences should abide by the party's basic line of "one center, two basic features" and define as its principal task the expansion and deepening of studies on socialism with Chinese characteristics in order to spur on this study in all other aspects and subjects. It is necessary to endeavor to sum up the practical experiences over the past 40 years, particularly since the Third Plenary Session of the 11th CPC Central Committee, make a prompt summary of the fresh experiences of the people, conduct new theoretical explorations, and present new theoretical viewpoints in order to satisfy the demands of construction and of the reform undertaking.

If philosophy and social sciences is to serve socialism with Chinese characteristics, it should first serve the central task of the entire party and entire country, that is, economic construction. At the moment, research in philosophy and social sciences should abide by the spirit of the Seventh and Eighth Plenary Sessions of the 13th

CPC Central Committee and of the central work conference, strive to consolidate and develop the great achievements obtained in the 1980's, and maintain the sustained, stable, and coordinated growth of the national economy in order to contribute to the realization of our country's 10-Year Program and the Eighth Five-Year Plan for National Economic and Social Development as well as the realization of the second-step strategic objective in the socialist modernization endeavor. There are many subjects which should be studied in depth, such as the macroeconomic control of the national economy, theory and practice concerning the balance between total demand and supply in society, the most efficient distribution of productive forces and industrial structural readjustment, proportions, rates and performances in economic development, economic growth through scientific and technological progress, income distribution, circulation, and consumption at this present stage, stronger vitality of large and medium-sized state-run enterprises, improvement of overall production capability and level in agriculture, coordinated growth of urban and rural economies, economic and social development and population issue in nationality-inhabited regions, and other subjects. According to the tasks presented by the economic construction endeavor, workers in philosophy and social sciences should not only study economic theories, but should also present advice and suggestions on related guidelines, policies and plans, focusing on the large amount of practical issues, and carry out further studies on the social benefits arising from the implementation of these guidelines, policies, and plans. This kind of social science research is welcomed and expected by the party and the people.

The social sciences should carry out serious studies on the various problems related to reform and opening up, engage in courageous explorations and serve reform and opening up. In the 1990's, we should establish initially an economic system and operating mechanism which is suitable to a growing socialist planned commodity economy founded on the public ownership system and which integrates a planned economy and market regulation. This is an enormous systematic project which we have to explore and renovate. The issues which have to be studied urgently at present are: Theories and practice in socialist economic reform, basic trends and ideas on economic structural reform in the 1990's, a structure incorporating different ownership systems but dominated by the public ownership system, ways and means to integrate planned economy and market regulation, reform of price structure, reform of wages and salaries, reform of investment, financial, monetary, and taxation structures, questions on the opening to the outside world of coastal and inland regions, strategies for China's foreign trade development in the 1990's, and reform of the foreign trade structure. We should work hard to achieve results and progress, and use scientific and technological findings to provide theoretical bases, practical suggestions and feasible plans for the reform and opening up efforts.

Philosophy and social sciences should vigorously spur on the building of a socialist democratic politics and promote a political situation characterized by stability, unity, and vitality as well as ensure the supremacy of the people and lasting stability in the country. It is thus necessary to make an in-depth study on class struggles in the preliminary stage of socialism in China, Marxist theses on the state, the building of political power in a socialist state, and political stability in the course of socialist modernization and construction, deepening of China's political structural reform, reform of state organs and of the cadres and personnel systems, building of socialist democratic and legal system, building of a clean government, consolidation and development of the united front, policies on ethnic relations and religion, and others.

Philosophy and social sciences should take an active part in the building of socialist spiritual civilization and serve efforts to boost the ideological and ethical qualities as well as scientific and educational level of the Chinese nation. As studies in philosophy and social sciences involve the oft-mentioned world outlook, outlook in life, value concepts as well as questions in ideas, ethics, and sentiments, they can provide substantial materials and bases for ideological and ethical education, and help people acquire a correct understanding of the world, society, and life. At the same time, as a branch of social knowledge, philosophy and social sciences could also offer rich knowledge to people, and boost their scientific and educational level. Hence, workers in philosophy and social sciences have an unshirkable duty to society in training the socialist new man with "ideals and moral values, educated and disciplined." Our social sciences have to study questions concerning man's spiritual world and his spiritual life. For instance, given the reform and opening, what are the special features and laws governing the changes in the outlook on life, value concepts and moral values of people, especially among the young people; and how can these special features and laws be used to help people foster the right outlook in life, value concept, and moral values? All departments engaged in spiritual production should be encouraged to produce more abundant and colorful spiritual food according to the needs of the people. It is necessary to explore the laws in the building of socialist spiritual civilization, including development strategies and plans concerning the building of spiritual civilization, forms and effects of activities related to the building of spiritual civilization. It is necessary to study socialist culture with Chinese characteristics, promote the fine traditions and cultures of the Chinese nation, absorb the useful culture of foreign countries, and other tasks.

Philosophy and social sciences should emphasize the study of the question on countering peaceful evolution in order to serve the efforts to resist peaceful evolution in the ideological domain. To defeat effectively the international hostile forces' attempt to carry out peaceful evolution in our country, we should step up study on contemporary capitalism. It is necessary to study why

capitalism has a relatively stable development, the changes in its productive forces, productive relations, and its superstructure, and the significance of these changes; study how the basic contradictions in capitalism are manifested in contemporary times and reveal its development trend; study the contradictions among developed capitalist states and those between them and developing countries; study the current state and future of the international workers' movement, and other studies. We should also study the process and causes of the transformation of some socialist states; the problems and lessons they encountered in the economy, politics, ideology and theory party building, religion, and ethnic relations; and from these studies we should draw out the problems which should be underscored in opposing peaceful evolution. We should study the tactics and methods used by the international hostile forces in pushing the peaceful evolution, and study as well as formulate the ways and measures we can use to resist the attempt.

Stepping up the study of international issues is of great importance in our effort to secure a peaceful international environment for our socialist modernization and construction. We should take note to study the changing trends in international political and economic patterns, the strategies and foreign policies of different countries as international pattern changes, trends in the transformation of some socialist countries and their effects on the world structure, the role and effect of the Third World as the world structure changes, the new international political and economic order, political and economic developments in neighboring countries, the world arms race, trends in arms control and disarmament and China's countermeasures, and other issues.

We should also vigorously step up the study of the fundamental theories of Marxism in order to uphold and develop Marxism in a better way. We should not only study the new situations, new problems and new experiences in socialist modernization and construction, as well as the new political and economic situations of the world, but we should also study different theories and ideas both at home and abroad, seriously sum up and absorb the new findings in human civilization, including new findings in natural science and in the technological revolution, endeavor to substantiate and promote Marxism through the integration of theory and practice. We should study intensively the new contemporary developments in Marxism, Comrade Mao Zedong's ideas on socialist revolution and construction, Comrade Deng Xiaoping's theoretical contributions concerning socialism with Chinese characteristics, fundamental theories and practice of socialism with Chinese characteristics, and other issues, and strive to achieve greater progress in terms of theory.

To uphold and develop Marxism, it is necessary to explore and criticize all kinds of anti-Marxist ideas. It is imperative to study and criticize the essence of ideological and political pluralisms advocated by the bourgeoisie, study and criticize the incorrect ideological and

political viewpoints endorsed by the bourgeoisie behind slogans like democracy, liberty, and human rights, expose the hypocrisy and class nature of these viewpoints, expose their reactionary character as they are used by the bourgeoisie to intervene in the internal affairs of socialist states and to control Third World countries, and draw a clear distinction between Marxism on one hand, and bourgeois ideological and theoretical viewpoints on the other hand. Because of their opposition to the socialist road and the leadership of the Communist Party, bourgeois liberal ideas represent the internal agent for peaceful evolution. We should study the class origins, historical roots, and international background giving rise to these ideas, recognize their essence and evils, draw a clear distinction between the Four Cardinal Principles and bourgeois liberalization, and wage an intensive criticism of bourgeois liberal ideas using scientific arguments. The influences of these aforementioned wrong ideas should be eliminated from all subjects—this is required in the development of philosophy and social sciences, and is not an additional task.

We should also study intensively contemporary Western academic and ideological ideas in order to facilitate the development of various subjects under philosophy and social sciences. The fundamental issue here is to use the Marxist position, viewpoint, and method to study and assess contemporary Western academic and ideological ideas in order to enhance our own ability to make distinctions, discard the dross and pick up its essence.

In the new period, philosophy and social sciences are confronted by an enormous, arduous but glorious task. Naturally, its duties are not limited to the aforementioned aspects. We should not only promote applied research, but also develop research in basic theories. While research into basic theories may not provide the answers to some concrete issues for now, it is of important significance from the long-term view. And while we should emphasize the study of the current situation in China and overseas, we should also not neglect research on history. In short, our study of philosophy and social sciences should have a focus and a direction; it should also make possible the overall growth and development of all subjects.

Three. Insist on guidance by Marxism and ensure a correct direction in the study of philosophy and the social sciences

The party and the state have consistently stressed that the study of philosophy and social sciences should adhere to the following policies: Guidance by Marxism, integration of theory and practice, and "letting a hundred flowers bloom and a hundred schools of thoughts contend." Since the Third Plenary Session of the 11th CPC Central Committee, the party and the state have reiterated these fundamental guidelines, and at the same time, have presented many important principles for the study of philosophy and social sciences in the light of new realities. For instance, theoretical work should serve the people and socialism, emancipation of thoughts and

seeking of truth from facts, adherence to the Four Cardinal Principles and opposition to bourgeois liberalization, the need to provide theoretical guidance and support for socialist modernization and construction and for reform and opening up as well as to promote the democratization and application of science in decision-making, the need to make intensive inquiry and study, probe for new situations and resolve new problems in the light of China's basic conditions, and other areas. Facts have shown that these guidelines and principles are correct. We can only ensure a correct direction in the study of philosophy and social sciences by continuing to implement these guidelines and policies and thus enable the study of philosophy and social sciences to flourish. But it should be said that owing to the mistakes of "one hand tough, and the other soft" and to the proliferation of bourgeois liberal ideas, some of our basic guidelines and important principles were not properly implemented in the study of philosophy and social sciences. Consequently, this and that kind of problem arose. Here, I should like to talk on the question of upholding the guidance by Marxism and the guideline of "letting a hundred flowers bloom and a hundred schools of thoughts contend."

Marxism is the guiding ideology for our party and state. As the most outstanding result in the development of human thinking, it offers a scientific world outlook and methodology for the study of the social sciences. As a socialist state, our insistence on the use of Marxism as the guide in our study of the issues in all social domains is both a requirement for the advancement of the socialist cause as well as a basic guarantee for the healthy growth of the social sciences. There cannot be the slightest wavering on this issue. One need not look far for a lesson. The proliferation of bourgeois liberalization in our country on several occasions and the transformation of some socialist states provide us with extremely profound lessons. Facts have shown that as the entire society and the social sciences move further ahead, there is greater need for guidance by Marxism; negligence and renunciation of the guiding role of Marxism will not only make it difficult for the social sciences to develop in the right direction, but will also lead to economic crisis and social unrest due to the confusion in people's thinking caused by theoretical confusion. As Comrade Jiang Zemin said: "Unless Marxist theories are conscientiously studied and explored, we will lose our way amid the complicated situation, lose our ability to distinguish right from wrong, dismantle our ideological weapons, and commit an extremely grave error." We should have a clear understanding of this and should enhance our awareness to be guided by Marxism.

The policy of "letting a hundred flowers bloom and a hundred schools of thoughts contend" reflects the special features and laws in the development of the sciences and the arts. It is the fundamental guideline in our effort to promote the sciences and the arts. When he presented this guideline, Comrade Mao Zedong had stated: Literally speaking, letting a hundred flowers bloom and a

hundred schools of thoughts contend has no class character. It can be used by different classes and different people. But essentially speaking, it is endowed with class character. He stressed that in the implementation of this guideline, the most important thing is to uphold the socialist road and the party's leadership. Comrades Deng Xiaoping and Jiang Zemin have both emphasized that the policy of letting a hundred flowers bloom and a hundred schools of thoughts contend should be carried out under the premise of upholding the Four Cardinal Principles and of guidance by Marxism. All these show that the policy of "letting a hundred flowers bloom and a hundred schools of thoughts contend" has a very clear-cut socialist content. It is designed to promote the cause of socialist sciences and arts, and is not just any other guideline. In the past few years, advocates of bourgeois liberalization tried to obliterate the class content and socialist objective of the policy of "letting a hundred flowers bloom and a hundred schools of thoughts contend" on one hand, and on the other hand, they created an uproar by brutally suppressing critical views and blatantly destroying the academic atmosphere of seeking truth from facts in the sciences. Owing to past experiences and lessons, the following should be noted in the implementation of the policy of "letting a hundred flowers bloom and a hundred schools of thoughts contend":

One. It is necessary to create a lively atmosphere conducive to courageous explorations and renovations under the premise of upholding the Four Cardinal Principles, foster academic freedom, encourage contention and exchanges between different academic viewpoints, and build a fine atmosphere where national conditions are taken into account, facts are respected, truth is served, and discussions are equal. Bourgeois liberal views which definitely negate the Four Cardinal Principles should not only be barred from being expressed freely but should also be criticized.

Two. It is necessary to conduct criticism and self-criticism freely. Discussions of different academic viewpoints and opinions, that is, "contentions" and debates in themselves carry elements of mutual criticisms. It is necessary to allow criticisms, counter-criticisms as well as self-criticisms. Without criticism and self-criticism, there can be no talk of a genuine implementation of the policy of "letting a hundred flowers bloom and a hundred schools of thoughts contend." Mistakes are inevitable in the course of exploration, hence it is necessary to tolerate the making of mistakes and to encourage their correction. With regards to viewpoints which are obviously wrong, Marxists should foster the fine tradition of criticism and struggle, dare to uphold the truth, and carry out a convincing analysis of the wrong viewpoints with a scientific attitude.

Three. It is necessary to respect practice. Practice is the only yardstick to measure truth. The correctness and incorrectness of different viewpoints can only be tested by practice. It is necessary to stop and overcome bad

phenomena like deviation from practices, subjective exaggeration, and overbearing arrogance.

Four. It is necessary to carry out conscientiously the guideline on unity. Unite all academic workers in and out of the party who are dedicated to research on Marxism as well as all patriotic, non-Marxist academic workers, and encourage as well as support their scientific findings which are beneficial to the prosperity of the people and of the socialist motherland.

Four. Bolster leadership, improve conditions, and build a vast research team in philosophy and the social sciences

(1) Bolster leadership, improve management, coordinate and organize the research force in philosophy and social sciences.

Research in philosophy and social sciences is a fundamental undertaking in the ideological domain, while emphasis on ideological work is a fine tradition of our party. Comrade Deng Xiaoping had clearly demanded: "Starting from the central authorities, party committees at all levels should steer ideological and theoretical work onto the right track and put it on an important position." Party committees at all levels as well as their respective propaganda departments should conscientiously carry out this directive, realistically bolster their direction of research work in philosophy and social sciences, and stress the role of the social sciences' ranks. Long- and medium-term plans as well as the annual plans concerning research in philosophy and social sciences should be formulated and implemented according to realistic conditions. Efforts should be organized to overcome tough issues in some major comprehensive research topics, and strive to achieve high-level, innovative outcomes.

(2) Improve conditions, and strengthen building of scientific research materials and facilities.

It is necessary to uphold and implement the party's policy on intellectuals, respect knowledge and talents, show concern and support for scientific workers in political terms, and strive to improve their working and living conditions in order to give full play to the initiatives and innovations of the masses of social scientists. A definite amount of financial support from the state is needed in undertaking research in philosophy and social sciences. Therefore, efforts should be made to expand the sources of capital for social sciences by securing more allocations from the state as well as raising funds from other channels. Earlier, when the Beijing Municipality Party Committee and People's Government proposed to carry out 10 practical undertakings in order to promote the cause of the social sciences in the Eighth Five-Year Plan period, many provinces, cities, and autonomous regions also adopted numerous measures and provided strong support to the building and advancement of the social sciences in the light of their local conditions. We hope that this good momentum will be maintained so

that inputs into the social sciences will be increased gradually as the local financial revenues go up.

(3) Step up building of social sciences' ranks.

To step up the building of the ranks in philosophy and social sciences, the most important thing is to boost the political, theoretical, and professional qualities of the social scientists, and to upgrade their abilities to analyze, study and resolve theoretical and practical issues. The masses of social scientists should be guided and organized into studying conscientiously the basic theories of Marxism and Mao Zedong Thought, and observing and assessing all kinds of social issues from the standpoints of the party and the people. The necessary conditions should be created to help our researchers, especially the young ones, to go deep into the real situations, familiarize themselves with China's conditions, carry out explorations through practice, and make up for their own shortcomings in ideology, politics, and scientific knowledge and education through this process. The social scientist should also be encouraged to master more modern knowledge in the natural sciences. In particular, attention should be paid to foster an excellent atmosphere for learning, erase all vague and superficial styles of study, and foster the excellent habit of proceeding from realities and seeking truth from facts. Research which goes from one concept to another, deviates from reality, seeks only to publish articles and asks no question about relevance, tries to please the public with claptrap and entails no real hard effort—all these are undesirable.

To bolster the building of the ranks in philosophy and social sciences, it is particularly necessary to emphasize the training of fine talents who will straddle into the next century and of a new generation of social scientists. Young comrades should be made to study the basic theories of Marxism and Mao Zedong Thought conscientiously; they should also be guided and organized into taking the path of integration with workers and peasants and of integration with practice. Some fine middle-aged and young people who have undergone training and tests should be given fewer professional burdens and, instead, they should be given some responsibilities over major projects and tasks so that they can mature quickly to become the backbones of research and the leaders of their fields. Furthermore, it is also necessary to take heed to discover and select promising researchers from other fronts in order to substantiate and expand our ranks engaged in the research of philosophy and social sciences. The training of social scientists who will straddle into the next century is an important subject of strategic significance. I hope that everyone will join efforts to continue summing up experiences and exploring a new path.

Article Urges Building, Improving Social Security
HK3101145092 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 1, 6 Jan 92 p 12

[Article by Xiao Tong (2556 6639): "Set Up and Improve Social Insurance System"]

[Text] With the full-scale unfolding of the economic structural reform in China, in recent years, many localities on the mainland have begun to make useful explorations in building multilayered and multichannelled social security systems, and certain results have been achieved. This has created conditions for all-sided and in-depth reform and especially for the invigoration of large and medium-sized state-owned enterprises.

According to Liu Guanxue, director of the Policy and Regulation Department of the Ministry of Labor and an official in charge of the reform of the social security system, China's reform of the social security system mainly includes two aspects, namely, retirement pension insurance and unemployment insurance. The pension system in China's enterprises was established in the early 1950's. Its characteristic is that the state and the enterprises are wholly committed to workers' pension insurance. After reform and opening up, with the development of the planned commodity economy and especially with the in-depth reform of the labor and employment system, around 1984, some localities began to organize "social-coordinated" pension insurance in order to lessen burdens on the enterprises and to promote the reasonable movement of the labor force and also to guarantee workers' basic means of livelihood and to overcome the defects of the old system under which all pension funds were borne by the enterprises.

The so-called "social coordination" refers to a pension fund jointly borne by the state, the enterprises, and the individuals. Thus, the social security system is composed of the state's basic pension fund, the enterprise's supplementary pension fund, and the individual's retirement-oriented savings. Reportedly, the new system was welcomed by enterprises and workers, and was spread widely and rapidly in the whole country. So far, 2,276 cities and counties or 96 percent of the whole country's cities and counties have adopted the social-coordinated pension system. In 1,200 cities and counties, collective enterprises have also adopted such a pension system. In many provinces (including municipalities), social coordination of the pension fund has been raised to the provincial level. For example, such social security system has been adopted by Jiangxi, Fujian, Jilin, Hebei, Shanxi, Shanghai, Beijing, and Tianjin, and has involved more than 57 million in-service workers and more than 12 million retired workers. Since 1985, Dalian, which is taking the lead in this reform field, has been building an "all-inclusive and integrated" retirement pension system joined by different types of enterprises and workers employed under different systems, and a unified management institution has been basically set up to manage this pension fund.

To support the reform of the labor system, in 1986, the Chinese Government decided to adopt an unemployment insurance system for workers in some enterprises. In the past more than five years, more than 200,000 workers have been covered by such insurance, which has created a condition for in-depth enterprise reform and for the adjustment of the economic structure. At the

same time, some pilot schemes in reforming the medical and industrial accident insurance system have also achieved initial successful results.

According to authoritative sources, the reform of the social security system has resulted in better safeguarding the legitimate rights and interests of the workers, lessening the burdens on the enterprises, and positively promoting economic development and social stability. For example, after the methods of social coordination and individual contribution were adopted, many retired workers in the enterprises joining the social-coordinated pension fund could receive their pensions in time in the past two years when there was economic decline and many enterprises were forced to suspend their production wholly or partly.

The social security system reform in China remains in the initial stage. According to the analysis by relevant people, speeding up the reform of the social security system will be a crucial and urgent task in the process of improving the operation of the large and medium-sized state-owned enterprises. In June last year, the Chinese Government particularly issued a "Decision on Reforming the Retirement Insurance System for Enterprise Workers," which further made clear the orientation and principles for reform in this field.

According to Liu Hongru, deputy minister of the State Commission for Restructuring the Economic System, the following steps will be taken in order to quicken the pace of reforming the social security system: 1) expanding the scope of retirement and unemployment insurance; 2) setting up and perfecting the pension system for workers in collective enterprises, foreign-funded enterprises, and private enterprises, with funds being contributed jointly by the enterprises and the individuals; 3) gradually transferring the scope of social coordination for the pension funds from the city-county level to the provincial level; 4) perfecting the unemployment insurance system, gradually forming job transferring mechanisms, opening new employment channels for the redundant personnel in various enterprises, creating new jobs inside the same enterprises for the redundant personnel, and providing unemployment insurance for redundant personnel being temporarily laid off.

According to Ruan Chongwu, minister of labor, when a new pension fund is set up, the individual contributions made by workers must not exceed 3 percent of their basic wages. The rate can be gradually raised along with economic development and the future wage adjustments. The pension fund contributions made by enterprises and workers will be separately recorded in the unified national "Insurance Manual for Workers' Retirement Pensions."

It has been learned that in the next few years, the pilot schemes for reforming the industrial accident insurance system will be further carried out, and the scope of reforming the social security system in the field of medical service will be expanded.

Buddhist Association President on Human Rights
HK0702050592 Beijing RENMIN RIBAO in Chinese
22 Jan 92 p 5

[Article by Zhao Puchu, China Buddhist Association president: "Chinese Buddhists Enjoy Right of Religious Freedom"]

[Text] The "White Paper on China's Human Rights Situation," published by the Information Office of the State Council, gives a comprehensive introduction to China's current human rights situation and is an authoritative work on this subject. The White Paper provides much factual material and many figures regarding all aspects of human rights as practiced in China. It helps people at home and abroad objectively and thoroughly observe China's human rights situation and then draw a correct conclusion. It has vigorously rebutted the lies spread by some people with ulterior motives about China's human rights question.

The freedom of religious belief is an important component of basic human rights. Since imperialism, feudalism, and bureaucratic capitalism were overthrown and since New China was founded, vast numbers of Buddhists of all nationalities in China have really become masters of the country, enjoyed the basic right of free religious belief, and ended the dark era in which believers were oppressed, exploited, discriminated against, and humiliated. In New China, citizens' freedom of religion receives constitutional and legal protection, and the social and political status of Buddhists has unprecedentedly improved. They enjoy full political rights as well. At the National People's Congress [NPC] and the Chinese People's Political Consultative Conference [CPPCC] and local NPC's and CPPCC's at all levels, there are delegates and members from the Buddhist circles who participate in and discuss national affairs. Buddhists of various denominations and nationalities have built up a new relationship in which they treat each other equally, reserve mutual respect for each other, get along with each other harmoniously, and cherish unity and fraternity, thus really attaining the great solidarity between Buddhists of various denominations, places, and nationalities. In New China, Buddhism has really cast off the control and influence of reactionary forces and restored its own purity. We obtain support from central and local people's governments in setting up national and local Buddhist organizations, building and repairing temples, preserving Buddhist cultural relics, developing Buddhist culture and education, enabling Buddhism to support itself, developing the exchange of international Buddhist culture, and so forth. With the CPC's and the people's government's brilliant policy of religious freedom, encouraging and good prospects have dawned on China's Buddhist cause.

The human rights question is an important area in the current international political struggle and an important aspect in the protracted struggle between socialism and capitalism, the two social systems. We, the Buddhist

circles, should conscientiously study the "White Paper on China's Human Rights Situation," systematically understand China's basic position and practice regarding the human rights question, and consolidate our faith in proceeding on the socialist road under the CPC. We should use our personal experiences and the contrast between the situations of China's Buddhism and Buddhists in new and old societies to explain to relevant people at home and abroad what the human rights situations in old and New China are like and about the achievements in protecting citizens' right of free religious belief, in particular. We should assist the government in continually implementing the policy of free religious belief, appropriately handle Buddhist affairs, and make more contributions to the country and society. Maintaining the continuity and stability of the policy of free religious belief and further appropriately implementing this basic policy will further improve China's image regarding the protection and safeguarding of human rights.

Editorial Notes County-Level Political Reforms
HK0402002092 Hong Kong WEN WEI PO in Chinese
23 Jan 92 p 2

[Editorial: "Reform of Political Structure at County Level Instituted Across China"]

[Text] Some people say that China has only carried out reform of its economic structure so far, while its political structure seems to remain unreformed. As a matter of fact, China has already carried various political reforms, including abolishing the life tenure of cadres in leading posts, separating the party from the government, holding elections where candidates exceed the number of seats, implementing a civil service system, putting counties under the jurisdiction of cities, and perfecting the legal system and the people's congress system. All these are major political structural reforms which constitute an organic part of China's overall structural reform.

China is an agricultural country. During the initial period after the founding of New China to promptly set up a national economic system and develop a full range of industry, China concentrated all its resources on the establishment of industrial and mining enterprises. As a result, funds which ought to have been put into agriculture were used for industry. Following the Third Plenary Session of the 11th CPC Central Committee, China first started reform in rural areas. In 1978, rural areas began to implement the contract responsibility system. In 1980, Guanghan County in Sichuan took the lead in breaking free from the management system of the People's Commune. In 1982, the Fifth Session of the National People's Congress adopted the new Constitution, which formally stipulates that with a view to separating the party from government and suiting the needs of the new economic restructuring situation in rural areas, rural grass-roots political powers were to be divided into three levels of town and township people's congresses and people's government.

The implementation of various contract responsibility systems in rural areas has largely mobilized the enthusiasm of peasants; given rise to large numbers of township and town enterprises; narrowed the gap between rural and urban areas; and brought about multifaceted development to agriculture, industry, and trade. In addition, peasants have seen an obvious increase in their incomes. Under the new situation, both divisions of social labor and new industries have emerged and the economic structure in rural areas has been transformed.

Having broken with a traditional situation of near self-sufficiency, rural areas have stepped up efforts to develop commodity exchanges and carry out economic integration with urban areas with the aim of readjusting economic patterns, rationalizing circulation channels for commodities, setting up various pre- and post-production services, introducing science and technology from urban areas, and forming integrated entities in agriculture, industry, and commerce. Under such circumstances, political power organs at county level are given more room for maneuver. Since 1985, China has instituted reform in the leadership structure whereby counties are put under the jurisdiction of cities. Being located in urban areas, county governments serve as a link between rural and urban areas, thus creating conditions for bringing about socialized commodity production throughout the entire county.

In the wake of the New Year, the Chinese Government has decided to start a nationwide reform of county-level organs so that "small-scale governments can provide large-scale services."

This serves as a breakthrough in the understanding of political structures. Besides giving guidance to political and administrative work, political power organs need all the more to provide large-scale services to satisfy the various needs of social production.

Administrative organs at the county level are grass-roots macroeconomic management organs. These over staffed organs, in which cadres enjoy life tenure, are in urgent need of reform because they have been plagued during recent years by huge financial expenses, low work efficiency, and poor ability to provide services. Only through reform can these county-level organs give good leadership over production.

With the aim of turning nonproductive organs into enterprise entities, the central authorities have decided to cut staff and simplify the structure of administrative organs. Many governmental departments, including commercial bureaus, grain bureaus, textile bureaus, light industrial bureaus, foreign trade bureaus, and supply and marketing cooperatives will be turned into commercial companies which are required to provide various types of services to society under the contract responsibility system and satisfy the production and sales needs of agricultural units and township and town enterprises. Cadres in these organs will no longer be administrative personnel and can no longer enjoy public grain. Instead,

they will become employees of economic entities whose income will be linked to the economic returns of these enterprises.

Such a change is not a mass action but is a process based on the mature development of township and town enterprises. Administrative organs already had business partners and markets before they turned into enterprises. What is more, China started experiments on political reform in eight provinces and nine counties in 1989 and has attained smooth progress over the past couple of years. In carrying out political reform, China sets its eyes on establishment, that is, on establishing the new and proving it feasible in pilot units on the basis of practice before destroying the old. This is a practical method which, though seemingly not fast enough, proves to be the most effective move in reform.

Provincial Leaders Visit Regions on New Year's

*OW0602183392 Beijing Central Television Program
One Network in Mandarin 1100 GMT 6 Feb 92*

[From the "National News Hookup"]

[Text] On Chinese New Year's Day, the responsible comrades of party, government, and Army organizations in Hunan Province, braving rain and snow, visited factories, rural areas, government offices, Army units, and construction sites of key projects to extend their new year's greetings to those who were working on the holiday day.

Hubei Governor Guo Shuyan spent Chinese New Year's Day with the cadres and villagers of Hsinhua Village in Yangshuihu Township of Hanchuan County. The village suffered severe flood damage last year. (Zhu Xiangde), chairman of the villagers' committee, told the governor: The 18 families whose houses were destroyed by floods have built new houses. More than 80 unsafe buildings in the village were rebuilt before last year's beginning of winter. At present, all 107 families in the village are living in new houses.

On Chinese New Year's Day, leaders at all levels in Shanxi Province visited poor families in various parts of the province. They called on people who suffered losses during natural disasters. With 15 million yuan of relief funds delivered to those people, the leaders have brought the party's warm attention to them. While publicizing the party's rural policies, the leaders asked the people about their holiday celebrations and encouraged them to develop the commodity economy and diversified projects.

On the morning of Chinese New Year's Day, Secretary Gu Jinchi of the Gansu Provincial CPC Committee, Provincial Governor Jia Zhijie, and other leading comrades of the provincial party committee and the provincial government visited industrial and mining enterprises and rural areas in four groups to give their regards to workers and peasants who were working on the holiday. Wherever they went, Gu Jinchi and other

leaders wished the workers a happy new year and encouraged enterprise managers and workers to accelerate reform and strive for new success in industry production.

While all families were happily celebrating the Chinese New Year's Day, Secretary Mao Zhiyong of the Jiangxi Provincial CPC Committee and Jiangxi Governor Wu Guanzheng visited grassroots units, wished workers and peasants a happy new year, and called on those who were working on the holiday.

During the Spring Festival, some military and government leaders separately visited the officers and men of the People's Liberation Army who were working at various construction sites in the Qingyuan economic development zone. They included Commander Zhang Juhui and Deputy Commander Chen Tianlin of the Guangdong Military District and party, government, and Army leaders from Qingyuan. Qingyuan is one of the 10 poorest regions in China. At the end of 1991, the Qingyuan CPC Committee and the city government began an experimental project of building a large economic development zone in the suburban area so the city's 34 limestone-producing townships and towns and 25 other townships and towns in an old revolutionary base area could run enterprises there. To accelerate construction, a mechanized work force, organized by the Guangzhou Military Region and consisting of some 400 officers and men, have participated in the construction of the economic development zone. The officers and men have worked hard day and night for over a month. They plan to complete a 1.5-km river dike and a 1.2-km main highway before the flood season begins.

Minority Population Growth Slows, To Continue

*HK0202031292 Beijing CHINA DAILY in English
1 Feb 92 p 3*

[Report: "Minority Population Still Grows"]

[Text] Chinese women of minority nationalities now have fewer children because of family planning work over the past decade, but the large number of minority young people will keep the population growing fast in the coming years, the Beijing-based Population News reported.

A survey in five minority autonomous regions, including Inner Mongolia, Ningxia, Guangxi, Xinjiang and Tibet, showed that the average number of children a minority woman has in her lifetime dropped between 1981 and 1990.

In 1981, women in Guangxi and Xinjiang had more than four children; in 1990, these numbers reduced to 2.71 and 3.13 respectively.

Figures for Ningxia Hui Autonomous Region and Tibet Autonomous Regions had also decreased from 3.95 and

5.23 in 1981 to 2.6 and 3.81. And figures for Inner Mongolia Autonomous Region dropped from 2.72 in 1981 to 2.13 in 1990.

According to Population News, the Chinese minority population has grown rapidly since the founding of the People's Republic of China in 1949. Because the economy in the minority regions has been developed, people's living standards have increased and medical and health conditions have improved.

Although national family planning programmes started for the Han people in the '70s, minorities were not included until 10 years ago.

In line with the State population policy, State employees and urban residents are allowed one child. Rural families are also encouraged to limit their offspring to one, although farmers with one girl who have labour difficulty can have a second child.

But these policies are more flexible among minority people. Autonomous governments in each region are authorized to work out local strategies in accord with their respective situations.

Population censuses revealed that China had about 35 million minority people in 1953, which is 6.1 percent of the country's total. Yet in 1990, the number reached 91.2 million, 8.04 percent of China's total population.

The minority population has grown much faster than that of the Han nationality in the recent decades, the paper said.

Between 1953 and 1964, the Han population increased by 19.4 percent, and the minority population grew by 13.2 percent. Between 1964 and 1982, the Han population grew by 43.8 percent, while minorities increased by 68.1 percent.

And between 1982 and 1990, the Han population increased by 10.8 percent and minorities by 35.52 percent.

A national survey in 1988 indicated that the average number of children to each minority woman during her lifetime was 3.48, and that Han women had an average of 2.24.

Laws Promised To Protect Patents, Copyrights

HK0202082992 Beijing CHINA DAILY (BUSINESS WEEKLY SUPPLEMENT) in English 2-8 Feb 92 p 1

[By Xie Songxin: "Legal Eagle To Back Up Economic Reforms"]

[Text] Chinese legislators are working on a number of economic laws to back up the country's reforms and its drive to join the track of international business norms.

Gu Ming, vice-chairman of the Legislation Committee of the National People's Congress, said the committee

was concentrating on drafting new laws covering corporations, banking, marine commerce, fair competition, and science and technological developments.

The Economic Contract Law, Patent Law and Trademark Law are being revised. The amended Patent Law should go into force at the beginning of next year, said the 73-year old legislator, who is also a member of NPC Standing Committee.

Gu said the new laws, most of which should receive NPC approval this year, would underpin several economic reforms and opening-up policies.

Economic growth, accompanied by increasing cuts in mandatory government quotas and nurturing of the market mechanism, is demanding more legal support for economic activities.

The banking law will define the role of the central bank, its relation with other banks, the principles of issuing banknotes and setting interest rates, and requirements for bank establishment, financing and loans.

The law on limited-liability companies will deal with prerequisites of company establishment, organization, responsibility, business authorization and property ownership.

Gu said this legislation would absorb some Western experience in the making of standard corporate law.

The law will support the emerging share-holding system and stock trading, which have already appeared in Shenzhen and Shanghai.

China has a State-run Enterprise Law, which does not include most companies operating in China. Setting up of companies is usually decided through administrative procedure, with a requirement to register in the local industrial and commercial bureau.

Revision of the Patent and Trademark laws aims to better protect intellectual property as well as investors.

The Patent Law is being amended to protect inventions such as pharmaceuticals and agricultural chemicals. The existing Patent Law was enacted in 1985. It will also extend the protection period from 15 to 20 years.

China joined the World Intellectual Property Organization (Wipo) in June 1980 and published its first intellectual property law, the Trademark Law, two years later. About 270,000 Chinese and foreign trademarks have been registered so far at the State Trademark Office.

Gu said the revised Trademark Law will intensify protection to trademarks used in the service industry, be more effective at stopping infringements, and better protect owners and users of the industrial properties.

The State Administration of Industry and Commerce said that a draft of a revised Trademark Law is near completion and authorities concerned will be asked to give their comments and suggestions.

China will soon join the Berne Convention for copyrights and the Universal Copyright Convention.

"These efforts will put China ahead of most countries in the protection of intellectual rights," said Gu.

"China is the only developing country and one of few in the world that provides a new, but fully-fledged legal basis, for intellectual properties," he said.

The Chinese Patent Office handled 211,505 patent applications by the end of last November, of which 34,187, or 16 percent of the total, were from abroad.

However, Gu admitted that intellectual protection in China should be constantly updated. The country has only 10 years' experience in the field, while the major Western powers began to practice these laws 200 years ago.

"We have much to learn from the West," he said.

Revised laws will incorporate international experience and follow world trends in protecting patents and trademarks. But Gu said China would not copy Western laws. It insisted on using its own characteristics to improve intellectual property protection.

The government was concerned, for example, that patenting of pharmaceuticals would trigger off medical price rises and affect public health.

However, the lack of legal protection can also produce apathy among medical researchers. Foreign companies are reluctant to produce patented pharmaceuticals in China lest their properties are copied.

Gu said many Western companies, including Dupont of the United States, had lobbied him to have chemicals and pharmaceuticals included in the Patent Law.

Correction to Li Ruihuan Speech on Propaganda

OW0102033192

The following correction pertains to the item headlined "Lui Ruihuan Speaks to Propaganda Department Heads," published in the 27 January China DAILY REPORT, pages 31-33:

Page 32, column one, second paragraph, eighth sentence, make read: ...The fundamental task of socialism is to develop productive forces [sheng chan li 3932 3934 0500].... (changing "productivity" to "productive forces," and providing vernacular and STC's)

Military

Yang Rudai on Building Defense Reserve Force

HK0302103092 Chengdu Sichuan People's Radio Network in Mandarin 2300 GMT 24 Jan 92

[Excerpts] Yesterday [24 January] the provincial CPC committee Standing Committee held an enlarged meeting in which provincial party, government and military leaders

discussed the issue of strengthening the building of the national defense reserve force under the new situation in Sichuan Province, a great rear area of the motherland, to meet the demands of our economic construction and national defense building. [passage omitted]

In his speech, provincial party Secretary Yang Rudai said: The fact that a nation wants to survive and a country needs development is inseparable from the two major pillars of economic construction and national defense buildup. The most fundamental and essential factor determining a country's strength is its strong economic power and powerful national defense buildup. Therefore, we must conscientiously follow the guiding thinking of subordinating ourselves to the overall situation of our country's economic construction, and meet the demands of our national defense buildup. Party and government leaders at all levels must show concern for and support our national defense buildup, and strengthen national defense education for leading cadres at all levels and all people. We must strengthen the concepts of all people on national defense and our national rallying power to build a great wall of steel of patriotism for defending the country, resisting corrosion and preventing degeneration. We must strive for the fulfillment of our country's second-step strategic goals. [passage omitted]

Song Renqiong Greets Calligraphy Publication

OW2901134092 Beijing XINHUA Domestic Service
in Chinese 0841 GMT 29 Jan 92

[Text] Beijing, 29 Jan (XINHUA)—Selection of Calligraphy by Marshals and Generals, a book with a collection of more than 300 pieces of calligraphic handwriting by Comrades Mao Zedong, Zhou Enlai, and Liu Shaoqi and by marshals and generals, has been published. This morning Wang Ping, Yang Dezhi, and many veteran generals attended a ceremony at the Diaoyutai State Guesthouse in Beijing to mark the first distribution of the book. Comrade Song Renqiong cabled a congratulatory message to the ceremony.

The majority of the handwriting in the book is valuable work that has never been published. In the process of publishing the book, Marshal Nie Rongzhen gives his vigorous support to the publication of this book, and 16 veteran generals and veteran revolutionaries, including Wang Zonggui, Wang Dingguo, Shi Jinqian, and Xu Bin, served as compilation advisers. Comrades attending the ceremony said: The magnificent calligraphic handwritings of the proletarian revolutionaries of the older generation, who guided the destiny of the nation and promoted its culture, fully demonstrated their noble revolutionary sentiments and their self-cultivation. Their calligraphic works are very valuable artistically and ideologically and are also valuable as historical documents. This is not ordinary artistic works but a piece of spiritual wealth left for our posterity.

Liu Jingsong Greets Army Unit on Spring Festival

SK0502054492 Shenyang Liaoning People's Radio
Network in Mandarin 2300 GMT 4 Feb 92

[Text] On the morning of 3 February, on behalf of the Shenyang Military Region, Commander Liu Jingsong visited a certain People's Liberation Army unit stationed in Shanghai County of Dalian City, a model county emerging from the campaign of supporting the Army and giving preferential treatment to family members of revolutionary martyrs and servicemen and of supporting the government and cherishing the people, and offered Spring Festival greetings to the officers and soldiers of the unit.

He encouraged that leaders as well as officers and soldiers should make persistent efforts and strive to make greater achievements in 1992.

Fujian's Chen Shuqing Watches Army Unit Exercise

HK0302095892 Fuzhou Fujian People's Radio
Network in Mandarin 1100 GMT 24 Jan 92

[Excerpt] At 0900 or so yesterday, three signal flares were fired over a certain smeltery by an Army unit stationed in Changde. This marked the beginning of a reporting military performance by the Army unit. During the exercise, every shot hit the target, and shouts of kill the enemy were heard everywhere. Bayonet fighting and close-quarter fighting exercises were conducted. Soldiers were seen firing their pistols and advancing to cross over obstacles. There were too many exciting things for the eye to take in. The two-hour performance from time to time gained warm applause.

After watching the performance, provincial military Commander Chen Shuqing praised the officers and men of this unit for their perfect combat skill and good work style. [passage omitted]

Lanzhou Military Region Leaders Visit Gu Jinchi

HK0202013192 Lanzhou Gansu People's Radio
Network in Mandarin 2300 GMT 27 Jan 92

[Excerpt] Lanzhou Military Region leaders Cao Pengsheng, Wang Ke, Gong Yongfeng, (Kong Zhouwen), and (Liu Yuzhai) made their way to the provincial party committee this morning to pay a return visit to provincial leaders.

Provincial leaders Gu Jinchi, Li Ziqi, Jia Zhijie, Xu Feiqing, Lu Kejian, and Yan Haiwang and leaders from the military region gathered together to talk over old times and about the future, extended regards to each other, and expressed hope that the two-supports will scale a new height in 1992.

Provincial party committee Secretary Gu Jinchi expressed deep gratitude for the return visit. He said: The Lanzhou Military Region Army units have vigorously supported the local government's work in all fields for many years. At the forefront of the struggle against natural disasters provincewide, key construction projects, and other building sites there are foot marks

and sweat stains left by our officers and men. Their meritorious deeds will be remembered by the people forever. The great contributions made by the people's own Army in changing Gansu's backward state will go down in history.

Cao Pengsheng, Lanzhou Military Region political commissar, also warmly praised the local government and people for their achievements in supporting army building. He said: The comprehensive and coordinated development of the Army units under the Lanzhou Military Region and the unceasing improvement in their fighting capacity cannot be separated from the support given by the local government and people. [passage indistinct]

Both parties said that they will continue to hold high the banner of patriotism and supporting the Army, support each other, and progress hand in hand in the future. [passage omitted]

Jilin Secretary Extends Greetings to Army Leaders

SK3001112692 Changchun Jilin People's Radio Network in Mandarin 1030 GMT 29 Jan 92

[Text] Leaders of the province and Changchun City went to the conference room of the (Dehui) Road Guesthouse of the provincial military district this morning to extend greetings to leaders of the units of the People's Liberation Army [PLA] stationed in Changchun and the armed police force. They extended festive greetings and gratitude of the people of various nationalities throughout the province to the vast number of officers and men. The leading comrades of the province and Changchun City were He Zhukang, Wang Zhongyu, Zhang Fengqi, Huo Mingguang, Liu Yunzhao, Du Qinglin, Gu Changchun, Wu Yixia, Li Deming, Gao Yan, Feng Ximing, Ren Junjie, Liu Xilin, Zhang Yueqi, Sang Fengwen, Sun Li, Mi Fengjun, and Xu Qing. They gathered with leaders of the provincial military district, Unit No. 81021, Unit No. 39001, the PLA veterinary college, and the Jilin armed police force. Although only tea was offered, the close fish-and-water relations between the Army and the government and between soldiers and civilians who share a common fate and whose hearts are linked to each other were felt more deeply.

He Zhukang and Wang Zhongyu extended Spring Festival greetings to the army leaders on behalf of the provincial and Changchun City leaders and made impromptu speeches. They fully affirmed the contributions made by the vast number of officers and men of the army units stationed in Jilin to the endeavor of promoting the two civilizations.

When introducing the situation to army leaders, He Zhukang said: Thanks to the concerted efforts of the soldiers and civilians throughout the province, Jilin reaped a bumper harvest last year despite serious disasters. In industrial production, the predetermined targets were fulfilled and the growth trend was maintained. The

province witnessed economic development, political stability, social stability, and thriving markets. Last year was one in which Jilin's economy was stabilized and improved after difficulties were overcome, one in which we withstood severe tests, and one in which very good results were achieved in stability, unity, and work in various fields. This could not be separated from the support of the Army. The 24 million people throughout the province thank the PLA and the armed police force for playing a very important role in supporting the promotion of the two civilizations.

He Zhukang pointed out in his speech: It is particularly important to strengthen the unity among various nationalities and the unity between the Army and the people in the new situation. In particular, we should intensify efforts to improve party building, leading bodies at various levels, and the contingent of party members. This is also an important guarantee for further stabilizing the relations between the Army and the people and consolidating the unity between the Army and the government and between soldiers and civilians. Based on what we achieved last year, we should make this year's work more successful and practical. The key to this is to take economic construction as the central task, persist in reform and opening up, emancipate our minds, carry out the work in various fields focusing on unity and stability, and usher in the convocation of the 14th party congress with outstanding achievements.

Wang Zhongyu pointed out in his speech: Jilin won the great support of the Army for its work in various fields in the past year. In the new year, we should further strengthen the unity and cooperation between the Army and the government and between soldiers and civilians so that they will make greater contributions together to Jilin economic construction.

Xu Caihou, political commissar of Unit No. 81021, gave a speech on behalf of the army units stationed in Changchun and the armed police force. He said: The provincial party committee and government provided great assistance to the Army in the past year to ensure its fulfillment of training, scientific research, and teaching tasks. Jilin Province has a glorious tradition of supporting the Army. We have deeply felt this. Jilin's method of providing political support, material support, and intellectual support simultaneously to the Army has effectively supported army building. The army units stationed here must bear the purpose of the Army firmly in mind and successfully build their second hometown.

Economic & Agricultural

Guangdong 'Basically' Succeeds in Rectification

HK0702063292 Beijing RENMIN RIBAO in Chinese 23 Jan 92 p 2

[Dispatch by reporter Liang Zhaoming (2733 0340 2464): "Guangdong Province Basically Attains Goals of Economic Improvement and Rectification"]

[Text] Guangzhou, 22 Jan (RENMIN RIBAO)—Guangdong Province has basically attained the set targets in its economic improvement and rectification operation. The main results scored are as follows:

—The economic growth rate has basically returned to the normal level. The province's gross domestic product increased by 13.5 percent last year. In the past three years, the average annual growth rate was maintained at 10.6 percent, which was basically equal to the average 10.8 percent annual growth rate recorded from 1979 to 1984. Last year's gross industrial output value totaled 238.4 billion yuan, an increase of 25 percent over the previous year. So the average annual growth rate of the gross industrial output value was 19.4 percent, which means a drop of 8.3 percentage points from what had been recorded in the three years prior to the economic improvement and rectification operation. This helped cool down the overheated economy that the province had experienced three years ago while preventing the economy from stagnating at a lower level as in the two previous years, thus bringing the economy back to the track of normal growth.

—The unreasonable condition of the production structure has been preliminarily eased, while the long-standing stagnancy in agricultural production has been changed and the situation has been improving since 1989.

—The export-oriented economy has further developed. In the past three years, Guangdong Province has actually drawn in a total of \$6,822 million from abroad, which is nearly \$800 million more than the cumulative total of foreign funds secured over the four years before the end of 1988. The number of registered foreign-invested enterprises totaled more than 12,000 by late 1990, accounting for nearly 50 percent of all the enterprises of the same category operating in the country. These enterprises, together with the more than 20,000 enterprises currently operating in the province and dealing in the business of processing with supplied materials, drawings, and samples, assembling with supplied parts, and compensation trade, serve as the mainstay of Guangdong's export-oriented economy. The expanding scale of import of foreign capital has accelerated the technological transformation and progress of industrial enterprises and has increased their competitive power.

What is most gratifying is that the economic improvement and rectification operation has actually benefited the public. In the wake of wholesome economic development and thanks to the stable commodity price level, which went up by a mere 1 percent last year, the income of both urban and rural residents in Guangdong has continued to increase. Last year, the province's per capita living expenditure income amounted to 2,530 yuan, while the peasants' per capita net income reached 1,125 yuan.

Coastal Areas, SEZ Economic Growth Viewed

HK0602115192 Beijing RENMIN RIBAO
OVERSEAS EDITION in Chinese 23 Jan 92 pp 1, 4

[Article by Cheng Jing (4453 0079): "China's Gold Coast Opens to the World"]

[Text] Over the past 10 years or so, China's coastal areas, both cities and countryside, have achieved rapid economic development through reform and opening up. They have increasingly participated in international cooperation and contacts. People have summed up their development by saying that China's gold coast has opened to the world.

First, remarkable achievements have been made in developing export-oriented industry. In 1990, the total output value of the industrial products exported by the coastal open cities and special economic zones [SEZs] reached 62.4 billion yuan, which was an increase of 30 percent over 1988, making up 15 percent of the total industrial output value of these cities and SEZs. Through opening up to the outside world, regional economic structures have been greatly improved. New industrial groups, mainly producing household electrical appliances, petrochemical products, and new and high-tech products, are emerging in this area. The product mix has been gradually improved. The development of new products has brought about great economic returns. For example, industrial products with new structure, color, packaging, and quality standards produced by Tianjin in 1990 brought nearly 3 billion yuan of output value to this municipality, and 274 products reached international quality standards. In Zhuhai, some 166 new products were developed in the same year, and 134 of them, in 4,491 new varieties of design and color, have been put into production. They brought 27.14 million yuan of profits and taxes to the city together with foreign exchange of more than \$10 million. At the same time, technological transformation has been greatly promoted in enterprises. Practices by various areas prove that to "transplant" foreign funds and technologies into the fixed assets of China's existing enterprises is an effective channel for absorbing foreign investment under the situation of fund shortages.

The rapid development of foreign-owned enterprises has played a positive role in promoting steady industrial and economic growth in open areas and cities. At present, there are more than 4,000 foreign-owned enterprises in the 61 open cities at and above the prefectural and city level. Their industrial output values are increasing rapidly every year. The average annual growth rate of total industrial output value of foreign-owned enterprises in the 61 cities is 73 percent since 1987, and its proportion of the total industrial output value in these cities increased from 2.3 to 5.5 percent.

Second, an integrated economic structure combining trade, industry, and agriculture, stressing industry has basically been established. Since 1985, an integrated

economic structure combining trade, industry, and agriculture has been gradually established in the open areas. It facilitates the combination of scattered small production with the huge international market, promotes the combination of town and country, and promotes the development of export-oriented agriculture. Led by foreign trade and guided by both international and domestic markets and with the agricultural and sideline products processing industry as the main line of production, a new structure, which is characterized by the integration of trade, industry, and agriculture, has been established on the Shandong Peninsula. At present, the total export commodity purchase value of 22 counties (and cities) has reached more than 100 million yuan, and their total export volume has reached 3.9 billion yuan, making up 51 percent of the peninsula's total export volume. In Fujian, some experimental zones have been established in Dongshan and other areas for the development of export-oriented agriculture. In 1990, agriculture provided this province with 3 billion yuan of export goods sources. Guangdong's agriculture helped the province earn a total of \$9.38 billion in foreign exchange over the six years between 1985 and 1990, an average of \$1.56 billion a year.

Third, the open areas are occupying an increasingly important position in China's foreign trade. In recent years, the export volume of coastal open areas has increased every year. The total export commodity purchase value of 61 coastal cities reached 110 billion yuan in 1990, which was an increase of 250 percent over 1985, and the total export volume of foreign trade ports reached \$44.6 billion, an increase of 61 percent. Shanghai's total export volume was \$5.3 billion in 1990, the fourth year it set a record in this respect.

Foreign trade and exports from the SEZs have increased most rapidly. In 1990, the total export volume of Shenzhen, Zhuhai, Shantou, and Xiamen—the first four SEZs in China—reached \$5.2 billion, which was an increase of about 800 percent over 1985. The export volume and foreign exchange earned ranked Shenzhen second in China. The first ranked was Shanghai. Zhuhai's total export volume had also increased by nearly 510 percent since the establishment of the SEZ. Foreign-owned enterprises have played an important role in export trade.

Fourth, rapid development of other industries. First, the international tourist trade has become prosperous and foreign exchange earned from this trade has increased by a wide margin. Over the past two years or so, the 61 coastal cities have received a total of 14.06 million visitors from outside, earning foreign exchange equivalent to more than 10 billion yuan. Foreign exchange earnings have therefore increased by an average of 60 percent annually. Second, financial business has been

continuously developed and expanded. In order to suit the needs of opening up and separate from various major and professional banks and other domestic financial institutions that have established more service points and networks in the coastal open areas, some joint-venture and foreign-owned banks and other foreign financial institutions have also registered and established branches and offices in Shanghai, Guangzhou, Shenzhen, Xiamen, Hainan and other areas. They have injected large amounts of funds into the open areas for economic construction. At present, about 100 financial institutions have made business registrations or opened for business in Shanghai's Pudong District. Now a finance street is taking shape in that district.

The vigorous development of an export-oriented economy along the gold coast has greatly enhanced the economic strength of the open areas over the past few years. In 1990, GDP of the 61 coastal cities reached more than 600 billion yuan, 36 percent of the national total. Per capita GDP was 70 percent higher than the national average. At the same time, total industrial and agricultural output value reached 1,308 billion yuan, 42 percent of the national total. Of this, total industrial output value made up 46 percent of the national total. Budgetary income from the 61 cities was 74.7 billion yuan, 48 percent of the total budgetary income of 467 cities throughout the country. Per capita national income in the coastal open cities and SEZs reached more than 1,300 yuan, which was 7 percent higher than the national average.

While expanding in economic scale, the 61 coastal cities have also continuously increased their economic returns and technological level. Their rate of increase is much higher than the average rate for all cities. According to a calculation, the average annual labor productivity of the 61 cities reached 34,730 yuan in 1990, 27 percent higher than average productivity of all cities. The profits tax created by every 100 yuan of funds in these cities was 10 percent higher than the average of the 467 cities. The level of technological progress in coastal open cities and SEZs was respectively 16 and 13 percent higher than the average level in all cities. The level of technological progress of the four SEZs—Shenzhen, Zhuhai, Shantou, and Xiamen—increased by nearly 100 percent in 1990 compared with 1989.

From 1989 to 1990, the GDP of the 61 cities increased at a rate of about 10 percent and per capita GDP increased by 8 percent. Calculated on the basis of the average exchange rate of the previous three years, per capita GDP reached more than \$600 in 1990. Compared with South Korea, Singapore, Taiwan, Hong Kong, and other newly industrialized countries and regions, which reached this target in the period between 1970 and 1977, the average growth rate of the 61 cities was still 2 to 3 percentage points higher.

**Statistical Table on Economic Development of 11 Coastal Provinces, Regions, and Municipalities
(Provided by the State Statistics Bureau)**

Province/ City	GNP (billion yuan)		National Income (billion yuan)		Total Industrial Output Value (billion yuan)		Foreign Funds Actually Used (\$ million)		Remarks
	1984	1990	1984	1990	1984	1990	1984	1990	
Guangxi	20.595*	39.283	12.541	33.598	10.949	35.34		62.60	* 1986 figures
Guangdong	44.181	147.184	36.627	113.221	40.598	190.22	643.79	2,015.41	
Fujian	14.998	46.584	12.870	38.877	13.111	53.15	61.68	426.84	
Zhejiang	31.277	83.681	27.670	72.649	38.260	143.26	49.08	127.77	
Jiangsu	52.377	131.439	46.631	113.831	74.492	276.41	93.26*	247.69	* 1985 figure
Shandong	54.36	133.213	47.786	114.422	53.491	220.15	16.42	230.45	
Hebei	33.223	81.995	28.201	69.373	33.426	112.32	5.46	97.80	
Liaoning	41.56	96.489	35.415	78.379	61.253	160.69	15.23	727.39	
Shanghai	39.085	74.467	34.120	61.722	72.812	163.29	41.89	321.04	
Tianjin	14.747	30.031	12.168	24.405	25.910	67.99	60.59*	98.56	* 1985 figure
Hainan	4.673*	9.501	3.111	7.698	1.145	4.43	17.84	116.98	* 1986 figure
National Total	696.2	1,768.6	565.2	1,442.9	761.7	2,392.4	2,705.00	10,289.39	

Beijing Seeks Foreign Funds for Enterprises

HK0702020892 Beijing CHINA DAILY in English
7 Feb 92 p 2

[Article by staff reporter Wang Yong: "Beijing To Lure \$300m"]

[Text] Echoing China's import spree in the coming years, Beijing will try to lure \$300 million of foreign funds in 1992, up 28 percent over the 1991 figure.

The bulk of these funds will go towards improving the city's small and medium-sized enterprises, which have boomed during the past few years.

Municipal foreign trade officials expected the funds to gear up the performance of enterprises in the fields of automobile-making, machinery and electronics, chemicals, food processing and light and textile industry.

Beijing sent a large promotion team to France last month and presented a number of projects ready to co-operate with European businesses.

The mission was headed by Yi Xiqun, head of the municipal Foreign Trade Commission.

A press conference held in Paris, for example, attracted some 200 French entrepreneurs, bankers and businessmen who showed interest in establishing business with China.

"We'd like to see an increased momentum of French investment in Beijing this year," Yi said, noting that France ranks 12th among foreign investors in terms of total investment.

The flow of French capital to China hit a low after 1989, when France joined major Western nations in imposing economic sanctions. But bilateral trade relations are thawing.

So far, France has set up 80 joint ventures in China, 12 of which are based in Beijing. France has also exported a total of \$11 million worth of technology and equipment to the city, ranking ninth among foreign countries in terms of the total volume.

Apart from France, Beijing is to attract more investment from other European countries. Scores of municipal foreign trade companies are now lobbying 13 other European nations for strengthened economic co-operation.

Yi's delegation is now touring Turkey and Spain to discuss the possibility of staging large trade fairs of Beijing's products this autumn.

In another development, many Beijing enterprises are hoping for bigger foreign investment this year.

The Beijing Mitsubishi Coloured Kinescope Company is now discussing with its Japanese partner the establishment of a manufacturing base for large-screen TV sets.

Of the total promised foreign investment of \$11 billion in China, only 2 percent was settled in Beijing.

Article on Foreign Exchange Situation

HK0702055092 Beijing RENMIN RIBAO in Chinese
23 Jan 92 p 2

[Dispatch by reporter Shi Mingshen (2457 2494 1957): "China Makes Progress in Foreign Exchange"]

[Text] Beijing, 22 Jan (RENMIN RIBAO)—The situation concerning foreign exchange and foreign debt in China continued to improve in 1991. Spot exchange revenue went up 25.2 percent over the previous year, of which foreign exchange income from sources other than trade increased by 64.8 percent. Spot exchange spending increased 15.9 percent over the previous year. The big increases in the foreign exchange balance of the state and in foreign exchange reserves have enhanced China's capability in trade, financial exchange, and international intercourse.

As revealed by the State Administration of Exchange, the scope of foreign debt grew at a slower pace last year than the previous year, with a significantly lower rate of increase. The exchange readjustment has played a positive, supportive role in enterprises' efforts to develop production and repay foreign exchange liabilities on time and in foreign-businessmen-invested enterprises' efforts to achieve exchange balance. By the end of November 1991, the aggregate volume of transactions in exchange readjustment nationwide was \$18.175 billion, up 51 percent over the same period of the previous year. The regulatory prices of foreign exchange remained stable, with a slight drop.

According to another dispatch, Yin Jieyuan, head of the State Administration of Exchange, said on 20 January that support of agriculture and large and medium-sized state enterprises should be carried out as an important task in the management of foreign exchange and foreign debt this year. It is necessary to exercise effective control over the destinations of foreign exchange investment.

Yin Jieyuan said: The state will earmark an amount of foreign exchange this year to help speed up the technical transformation of existing enterprises and strengthen the key state development projects. Exchange control departments should pay attention to the supervision and control of the utilization of exchange funds specially earmarked by the state to ensure that they are spent on the import of advanced technology and equipment urgently needed by the country. It is necessary, under the precondition of attaching importance to efficiency, to actively guide specialized domestic banks to provide exchange credits for agricultural development, construction of water conservancy projects, and the technical transformation of large and medium-sized state enterprises. In the meantime, it is necessary to strictly control the scope of international commercial loans and strive to enhance the utilization ratio of foreign debts.

Economy Recovers to 'Normal Growth' in 1991

OW0602184692 Beijing XINHUA in English
1447 GMT 6 Feb 92

[Text] Beijing, February 6 (XINHUA)—Statistics show that China's economy has reversed its trend of declining results and returned onto the track of normal growth last year.

According to the State Statistical Bureau, the second half of last year saw increases in profits in industrial enterprises of 9.8 percent, higher by 3.8 percentage points over the first half of the year while the number of enterprises operating in the red reduced by seven percent.

Industrial inventory at the end of June rose by 21.4 billion yuan over the level at the end of January, but dropped by 17.6 billion yuan at the end of the year, statistics show.

Absolute growth in profits was reported in 10 provinces as compared with the general decline in most parts of the country. However, the remaining 19 provinces suffered from smaller profits. Figures in Tibet were not available.

The four provinces of Qinghai, Guangdong, Liaoning and Jiangxi saw profit increases of 107 percent, 97.2 percent, 70.6 percent and 65.5 percent respectively, the fastest growth in the country, the State Statistical Bureau said.

Inventory of un-marketable goods dropped in 17 provinces, but rose in the other 12 provinces while the number of enterprises operating at a loss decreased in 18 provinces, but increased in the 11 provinces, statistics find.

Officials from the State Statistical Bureau attributed the improved indexes to higher market demand, reduction of production and inventory, adjustment in product mix and restructuring of enterprises.

However, officials pointed out, poor efficiency is still a major problem. They noted that the irrational economic structure and conflicts in the economic system will continue to undercut the efforts to improve efficiency.

Double Budgeting System 'Important Reform'

HK0602012492 Beijing RENMIN RIBAO in Chinese
22 Jan 92 p 5

[Article by Li Linchi (2621 2651 3069) and Liu Xiaoming (0491 1420 2494): "It Is Imperative To Practice Double Budgeting"]

[Text] The "National Budget Management Regulations," promulgated recently by the State Council, clearly specify that China's national budget will be worked out by means of double budgeting. Practicing double budgeting will be an important reform in China's budget management system. It will have great theoretical and practical significance.

The national budgeting modes can be divided into the single and double budgeting systems. The single budgeting system places the national incomes and expenditures on a unified budgetary list, while the double budgeting system divides national incomes and expenditures into the routine and development budgets according to their nature. Since the PRC was founded, China has always used the single budgeting system for its national budgeting. This single budgeting system has the characteristic of being simple in structure. It concisely reflects the situation of incomes and expenditures in its entirety and is easier for budgeting purposes. However, single budgeting cannot clearly reflect the nature of all incomes and expenditures, the reasons for financial deficits, or the sources of funds to compensate for the deficits. In recent years, in particular, following the deepened development of the economic structural reform, there has been a great change in the distribution pattern of China's national income, and correspondingly, the structure of incomes and expenditures has also changed greatly. In these circumstances, the single budgeting system cannot fully adjust to the new situation, while this reform in the financial management system can completely reflect China's actual financial situation.

Judging by China's current economic and financial situation, there are the following advantages in practicing the double budgeting system: First, the system can better reflect the sustained, steady, and coordinated development of the national economy and embodies the principle of economic development of "first securing food and then development." The double budgeting system gives priority to the routine budget to maintain a balance between income and expenditure and a surplus, and with the surplus, we then would work out a development budget in keeping with the financial situation. The development budget must be based on financial capability and maintain a reasonable scale of development. Some funds for the central development budget can be procured by making domestic and foreign loans. However, there should be a reasonable scale and structure for the borrowings. Regional development budgets should maintain an income-expenditure balance. By practicing the double budgeting system, it would be possible to prevent imbalance resulting from excessively large routine expenditures. On the other hand, it could control an overheated economic development. Second, the system is good for strengthening the management of budgetary funds and increasing fund use efficiency. Third, it can give a truer picture of the balanced financial budget, and it is good for analyzing the reasons for deficits, making it possible to take relevant measures to compensate for the deficits and balance the budget. Fourth, by practicing the double budgeting system, it would be possible to reflect the incomes and expenditures in individual budgets, increase the transparency of budgets, and facilitate people's congresses at all levels to examine and supervise its use and implementation. If there were any problems in the financial incomes and expenditures, we could immediately take necessary measures. Therefore, the system would play a positive role in the steady and coordinated

development of the overall national economy. Nevertheless, we must never infer from this that by practicing the double budgeting system, it would be possible to resolve China's current financial difficulties.

At present, China has the conditions for practicing the double budgeting system. First, China's economy is based mainly on the public ownership of the means of production, and the state has the dual function of general management and of managing the national economy and guiding economic development. This dual function is reflected in the national budgetary incomes by the fact that the state procures some incomes as manager of the state and others as owner of the state-owned assets. Of the national budgetary expenditures, some are used to maintain state-power organization activities, safeguard national security, and so forth; some are used to support economic development. We can say that the state's dual function objectively provides the basic conditions for China to practice the double budgeting system. Second, after more than 40 years of practice, China has formed a set of comparatively complete systems and methods for budgeting, and accumulated many practical experiences, thus providing the necessary conditions for implementing the double budgeting system. Third, the obvious improvement in the quality of the personnel of financial departments at all levels in recent years, coupled with the extensive application of advanced scientific technology, such as computers, has greatly upgraded budgeting. This also provides a basic condition for implementing the double budgeting system.

Practicing the double budgeting system in China would be a completely new job, and we would inevitably encounter numerous difficulties and problems in its practice. Nevertheless, we will conscientiously investigate and study them, continually sum up experiences, and further improve China's double budgeting system to promote the vigorous development of China's national economy.

Jiang Zemin, Li Peng, Bo Yibo Inscribe Album

*OW3101142992 Beijing XINHUA in English
1322 GMT 31 Jan 92*

[Text] Beijing, January 31 (XINHUA)—The first volume of a picture album series titled, "Wonders of the Age—A Panorama of China's Key Construction Projects", has been published.

General Secretary of the Chinese Communist Party (CPC) Jiang Zemin, Premier Li Peng, Vice-Chairman of the CPC Central Advisory Commission Bo Yibo, State Councillor Zou Jiahua, and other party and state leaders wrote inscriptions for the album.

The first volume features more than 500 elegant pictures systematically introducing the state's 20 key construction projects during the Seventh Five-Year Plan period (1986-1990).

A separate series will highlight the major construction achievements made by different industries since the founding of New China in 1949.

Wang Bingqian, Others Inspect Three Gorges

HK0602074692 Wuhan Hubei People's Radio Network in Mandarin 1000 GMT 29 Jan 92

[Excerpts] Wang Bingqian, state councillor and State Council Three Gorges Project Examination Commission vice chairman, inspected the Three Gorges Project in our province 24-28 January. [passage omitted]

Wang Bingqian also held talks with persons in charge of the provincial party committee and government, including Guan Guangfu, Guo Shuyan, Qian Yunlu, Li Daqiang, and others, during which he stated: The three gorges project is of great concern to the people of the whole country and, therefore, should receive support from the people. The completion of the Three Gorges Project will not only generate enormous economic results, but also exert a notable political impact.

After inspecting Sichuan, Wang Bingqian and his entourage arrived in our province. Accompanied by Vice Governor Li Daqiang, Wang and his entourage visited a number of areas in our province. [passage omitted]

During his stay in Wuhan, Wang Bingqian held talks with persons in charge of Hubei Province and Wuhan city and discussed with them both preparatory and economic work concerning the Three Gorges Project. Wang noted: The Three Gorges Project is a major project whose completion is bound to generate huge comprehensive efficiency with regard to flood prevention, electricity generation, and river channel improvement and will definitely facilitate economic development in areas along the Chang Jiang. Thus the people of the whole country must support this project. All trades, professions, and departments must contribute to this project. The Three Gorges Project is at once an issue of economic construction and of political significance. The project's completion will definitely accelerate our country's economic development, enhance our national strength, and boost the people's morale in building the four modernizations.

On the issue of moving the local residents away from the project construction areas, Wang Bingqian fully affirmed the principle of turning a compensatory population movement into a development-oriented population movement. He pointed out: The Three Gorges Project necessitates moving 1 million local people away from the construction areas. To this end, we must combine population movement with economic development and immediate interests with long-term interests, and we must simultaneously increase input and strive for profit. With regard to the population movement funds, Wang noted, apart from the state funds, various local areas must also raise funds to build more development-oriented population resettlement bases with a view to properly resettling population coming from the project

construction areas and increasing efficiency in this respect. In resettling the population coming from the project construction areas, efforts must be made to give full scope to the socialist system's superiority. The successful movement of the population from the Three Gorges Project construction areas will undoubtedly invigorate economic development on both shores of the Chang Jiang. [passage omitted]

Wang Bingqian also gave important instructions on the ecological environment and unified management of the Three Gorges Project. After listening to a report on our provincial economic work, Wang Bingqian fully agreed to our province's guiding ideology of adhering to economic efficiency improvement as the point of departure and the basis. Wang stated: Efficiency is the key link. Without efficiency, it would be impossible to step up construction, secure financial revenue, or improve people's livelihood. Therefore, we must cultivate concepts of overall consideration and of efficiency. Both industry and various trades, professions, areas, and departments must increase efficiency though, of course, with diverse contents and requirements. This is a matter of paramount importance. We must cultivate a concept of efficiency and enhance a sense of efficiency among the people and properly handle relations between speed and efficiency. Speed should be realized on the basis of high efficiency. [passage omitted]

Those who participated in giving reports included: Zhang Hongxiang, provincial party committee secretary general; Zhou Jianwei, provincial government secretary general; and persons in charge of the provincial planning and economic affairs commissions; financial affairs office; and finance, water resources, and civil affairs departments; as well as various other departments concerned.

Those accompanying Wang Bingqian during his inspection tour included: Zhou Wenzhi, vice state minister of water resources; Fu Zhicun, assistant state minister of finance; and Wei Tingzheng, director of the Chang Jiang Water Resources Commission.

Liaoning's Yongning Named 'Model Village'

OW0502085392 Beijing XINHUA in English 0654 GMT 5 Feb 92

[Text] Shenyang, February 5 (XINHUA)—Yongning Village, which is located in Wafangdian City, northeast China's Liaoning Province, forever ended its long history of poverty and backwardness by relying on scientific advancement.

In 1991, Yongning recorded a gross domestic product of over 9.81 million yuan, a four-fold increase over 1984. And last June, the village was named a "model village of civilization."

Village chief Wang Changxi attributed the success to the establishment of a "pilot project for applying science."

Wang explained that prior to 1984 large portions of cultivatable land was sandy and produced little grain for the villagers because of excessive deforestation. At that time, the per capita income in the village stood at slightly over 400 yuan, and some 30 of the 600 families in the village did not have enough to eat.

In 1985, the Liaoning provincial government launched a program to promote comprehensive agricultural development, and Yongning village was chosen as an experimental base.

As part of an effort to better implement the program, Yongning village divided its 661.5 hectares into eight special zones, for housing, grain production, orchards, vegetables, industry, commerce, culture and tourism.

Wang said that during the past six years the village sent eight farmers to study at universities. He added that upon their return the farmers assumed posts as directors and technicians for village enterprises and became the major force behind economic development in the village. At the same time, the village opened vocational schools to train workers in village enterprises, and invited 13 retired urban technicians to direct the work of village enterprises. At present, some 70 percent of the income of the villagers comes from such enterprises.

The village not only initiated cooperative programs with urban research units, but also established its own research organizations which over the years have successfully completed 50 of 70 contracted research programs. These organizations have helped to publicize information on more than 10 types of new products and 20 advanced technology items. In addition, the village organized a broadcast lecture series and provided various films to help farmers gain valuable knowledge related to technology.

The six year effort has resulted in great changes in the village.

For example, 40.8 percent of the village's gross domestic product of 9.81 million yuan resulted from the application of research achievements. And, six village enterprises produced an output value of over 3.8 million yuan during 1991. At the same time, the village's fixed assets increased from 850,000 yuan in 1984 to over five million yuan today.

More important, the quality of labor has been enhanced dramatically. In 1984, the village's 900 laborers on average had only a primary school education, while today many of the villagers have at least a middle school education. Only six years ago, the village had no technicians, while today some 25 of the villagers carry titles such as farmer engineers, agronomists and technicians.

Scientific achievements have greatly benefitted local farmers.

The per capita income rose from 485 yuan only six years ago to 1,171 yuan in 1991, and the village has constructed over 1,000 new houses.

Prior to 1984, over 50 percent of the laborers in the village were working in the fields, while today only 150 of the 900 laborers are engaged in farming. Nonetheless, the per unit grain production has increased, and the village's vegetation coverage has risen from 26 percent to 47 percent.

An official from the Liaoning provincial science and technological committee said that since 1985 the effort to implement "the science boosting agriculture program" in 100 villages has proved overwhelmingly successful.

Statistics show that during 1990 alone, the 100 villages used the services of 949 non-resident technical workers and 2,380 skilled workers and craftsmen, in addition to importing 1,116 technical programs and training 72,400 farmers. At the same time, the number of special societies and scientific institutes organized by farmers stood at 285. In addition, the gross domestic product for the 100 villages exceeded 1.31 billion yuan, a 6.89-fold increase over 1985.

'Roundup' on Development of Rural Enterprises

HK0702081592 Beijing RENMIN RIBAO in Chinese
22 Jan 92 p 2

[["Roundup" by staff reporter Xia Jun (1115 8823): "Township and Town Enterprises Enter New Stage of Development"]]

[Text] In 1991 China's township and town enterprises developed steadily, with their total output value topping 1,000 billion yuan for the first time; per-capita created output value was 11,828 yuan, and profits and taxes were 1,129 yuan; the trend of labor inflow was curbed; and a large number of townships (towns) and villages with township and town enterprises as the main body developed comprehensively.

In reviewing the growth of China's township and town enterprises in 1991, a most encouraging achievement is: Their total output value has topped for the first time the 1,000-billion-yuan mark and is expected to reach 1,100 billion yuan. In 1991, by overcoming numerous difficulties, such as "debt chains," the shortage of funds, increased burdens, and serious natural disasters, and fighting bravely, arduously, and tenaciously, the vast numbers of township and town enterprises in China eventually made an historic breakthrough and bade farewell to the first year of the Eighth Five-Year Plan and of the 1990's....

It has taken China 31 years and a total investment of 1,000 billion yuan to increase the nation's gross output value from 100 billion yuan to over 1,000 billion yuan, but it has taken only eight years for township and town enterprises, as a rising new force, to increase their total output value, which stood at 100 billion yuan in 1983, to 1,000 billion yuan, and this has been reached basically by relying on self-accumulation. The output value of township and town enterprises accounted for nearly

one-quarter of the nation's gross output value in 1990 and for one-third of the nation's total industrial output value. This practical achievement shows that township and town enterprises have become an important pillar of China's rural economy and an important component part of the national economy.

The new development of township and town enterprises in the past year can be summed up as follows:

—Production developed steadily. Their total output value is expected to grow by 18 percent over the previous year; total industrial output value to reach 850 billion yuan, up 20 percent; sales income to reach 970 billion yuan, up 16 percent; taxes turned over to the state treasury to reach 43 billion yuan, up 10 percent; and net profits to reach 62 billion yuan, up 6 percent. By the end of last year, township and town enterprises possessed 530 billion yuan in total assets. Of this, 340 billion yuan was fixed assets, a rise of 22 percent over the previous year.

—Exports grew rapidly. The total volume of delivered export products is expected to exceed 60 billion yuan, representing an increase of more than 25 percent over the previous year and a growth margin in excess of the total output value by 7 percentage points. There are over 7,000 Sino-foreign joint ventures and the quality and grades of their export products were also raised continuously.

—Efficiency improved. On average, each person created 11,828 yuan in output value and 1,129 yuan in profits and taxes, up 14.4 percent and 6.8 percent respectively over the previous year. The product sales rate was 88.1 percent, up 1.3 percentage points over the previous year; and the profit and tax rate for every 100 yuan of sales income stayed at 11 percent.

—Their contribution increased further. The supply of essential products by township and town enterprises continued to increase; the proportion of their output of major products in the nation's output of similar products rose. In addition to a fairly large increase in taxes turned over to the state, township and town enterprises also provided about 9 billion yuan in funds to subsidize agriculture with industry, an increase of 18 percent over the previous year, and about 12 billion yuan in investment funds for the construction of various undertakings in rural areas, a rise of over 10 percent.

—Quality improved continuously. Scientific and technological progress accelerated and input in technological transformation increased. Of the technological transformation projects, the proportion of products with higher technological content, higher added value, and low energy and material consumption rose. In coordination with the launching of the activities for "quality, variety, and efficiency year," the awareness of the importance of management was further enhanced and enterprise management began to be more standardized and scientific.

Following a drop in the number of workers and staff members in township and town enterprises for two consecutive years, there was a turn for the better in 1991 and the trend of labor inflow was curbed. According to statistics, the number of workers and staff members in such enterprises was as high as 95 million in 1988 but, after dropping by a total of 2.8 million in 1989 and 1990, it bounced back to 93 million last year. Some 400,000 surplus laborers in rural areas were provided with work. Calculated in terms of one laborer supporting one rural person, the township and town enterprises enabled close to 200 million rural people to have a fixed income and live a stable life.

Another quite impressive point is that townships (towns) and villages with township and town enterprises as the main body and townships with the comprehensive development of agriculture, industry, commerce, construction, transport, and services emerged in large numbers in 1991. The output values of such towns as Shengze Town in Wujiang County and Qianzhou Town in Wuxi County, Jiangsu Province; Xiaolan Town in Zhongshan City, and Beijiao Town and Guizhou Town in Shunde County, Guangdong Province; and Ninghai Town in Muping County, Shandong Province have approached, reached, or exceeded 1 billion yuan. Of these, the output value of Shengze Town is expected to top 1.5 billion yuan. The output value of Daqiu Zhuang Village in Jinghai County, Tianjin; Hangmin Village in Xiaoshan City, Zhejiang Province; Qizhong Village in Shanghai County, Shanghai Municipality; Xitang Village in Wuxi County, Jiangsu Province; and Yongning Village in Zhongshan City, Guangdong Province exceeded 200 million yuan. Of these, the output value of Daqiu Zhuang Village is expected to top 1 billion yuan.

At the start of economic improvement and rectification in 1989, township and town enterprises voluntarily made readjustments by promptly putting forth the idea of training hard to benefit internal organs, improve quality, raise efficiency, and tide over difficulties, and they effectively achieved a strategic shift from expansion of extension to improvement of intension. Consequently, there were great changes in the product mix of township and town enterprises and the proportion of quality products rose. Between 1982 and 1988, township and town enterprises had 35 state-level quality products; between 1988 and 1991, however, they created a total of 333 state-level quality products. In 1991 township and town enterprises had 68 state-level quality products and 3,346 ministerial-level quality products, and there were 162 first- and second-grade enterprises at the state level.

To suit the needs of market competition, while giving scope to the advantages of competition and risk mechanisms, the township and town enterprises also consciously improved the enterprise encouragement mechanism, accumulation mechanism, and binding mechanism and thus increased their ability to meet contingencies. They also promptly readjusted enterprise structure and gradually and appropriately developed their scale in order to preserve the strong point of easily

turning to other lines of production and to bring into play the advantages of uniting with other enterprises to resist adverse circumstances. As a result, a number of township and town enterprise groups came into being one after another.

In the new year and in the 1990's as a whole, township and town enterprises will still face a fairly grim situation. Both at the macro and micro levels, there are many problems awaiting urgent solution. Many factors which were previously regarded as advantageous to the development of township and town enterprises have weakened slowly, and some restricting factors and weak points have gradually come to light. Only by constantly overcoming their own difficulties can they consistently maintain sustained and stable development amid acute market competition. By speaking highly of the status and role of township and town enterprises, the Eighth Plenary Session of the 13th CPC Central Committee has given a strong impetus to their growth. Some insightful people call the present time the "second spring of township and town enterprises," and this is undoubtedly a very opportune moment for such enterprises to advance to new heights.

Ministry Urges State Farms To Improve Quality

*OW0402080492 Beijing XINHUA in English
0738 GMT 4 Feb 92*

[Text] Beijing, February 4 (XINHUA)—The Ministry of Agriculture has urged its state farms to adjust crop structure, improve the quality of farm products, and strive to achieve better economic returns this year.

The state farms are mostly set up on former wasteland in outlying areas. They plan to harvest 10.58 million tons of grain this year, maintaining the 1991 level. At the same time, they are asked to expand the acreage seeded to paddy rice, soybeans, and other fine quality crops.

Research institutes of agricultural sciences are asked to develop new and better varieties of crops to pave the way for upgrading the food processing industry.

The ministry asked all departments concerned to help in the effort.

At present, the state farms are in an upsurge in building water conservancy projects to prepare for a good harvest this year.

East Region**Anhui Maintains 'Fairly Normal' Economy in 1991**

*OW0702002492 Beijing XINHUA Domestic Service
in Chinese 2118 GMT 5 Feb 92*

[Text] Hefei, 6 Feb (XINHUA)—Thanks to the unity and hard struggle of its people, Anhui Province has managed to maintain a fairly normal economic life in spite of the severe damage wrought by floods last year.

According to statistics, during the flood season last year a total of 38 counties and cities in the province were inundated and more than 40,000 villages were surrounded by floods one after another. A total of 43.99 million people, or 56.4 percent of agricultural population of the province, suffered from the floods. Among them, 25.99 million people were severely affected. Direct economic losses amount to 27.53 billion yuan; tremendous losses occurred in agriculture in particular. It is estimated that, as compared with production in 1990, the total output of grain and oil-bearing seeds experienced a drop of 30 percent and 25 percent respectively in 1991. There was also some reduction in the output of tobacco, jute, and tea. Income from tax was 860 million yuan less and expenditure nearly 30 percent more, than 1990.

However, the backbone system for supporting Anhui's longstanding economic development has not suffered any fundamental damage. Therefore, a basic foundation has remained for resuming production and rebuilding the province. During the period of fighting against floods and providing relief, the broad masses of people demonstrated their spirit of hard struggle by converging into a great force to overcome difficulties. With the great concern of the CPC Central Committee and State Council, as well as support in the form of material, capital funds, and technical know-how from all over the country and the world, a favorable condition was created for resuming the normal operation of the local economy. According to a report released by the provincial department concerned, since the fourth quarter of last year, the provincial economy has taken a gradual turn for the better. Taking into consideration this year as a whole, encouraging achievements are expected as follows:

—Industry to maintain a proper growth, with a 10.6 percent annual growth rate of total output value. Most enterprises, which were forced to stop production in full or in part, have begun to resume production one after another since last August. Some of them are not just resuming production, they have strengthened their market competition by integrating product mix with accelerating technical progress, and by upgrading their technical standards by keeping technical advantages and eliminating technical shortages.

—Key construction projects will proceed as planned. Of the seven projects scheduled to go into operation, five of them have been completed. Construction of the Chang Jiang Highway Bridge at Tongling, the Xinan Jiang waterway project, and the Hefei-Jiujiang railway supported with locally-raised funds, began within the

year as scheduled. In addition, the water conservancy project to harness the Huaihe River is in full swing, having completed 457 million cubic meters of earth and stone.

—Commodity circulation has been relatively smooth, while the markets are stable and sales picked up. The Department of Commerce hurried to repair the infrastructural facilities damaged by the floods, duly adjusted various points of the network, and thriflily though roughly put up over a hundred farm markets. All these ensured the normal operation of the national economy, and satisfied the flood victims' need to shop for daily necessities. Support was given to help the flood areas resume production and rebuild their homes. Generally speaking, basically there have been no signs of disruption in the supply of commodities or shortage of materials in the province. The total volume of retail sales of social commodities in the entire province increased 6.6 percent over the previous year.

—Export trade increased, while foreign-funded production of industrial and agricultural by-products was reduced; however, with the opening up of new processing fields, an increase in the export of industrial products, coupled with an increase in the ad valorem tax on export products, foreign trade for the whole year increased. In particular, coastal cities including Wuhu, Maanshan, Tongling, and Anqing took advantage of their geographical position to make a new step forward in opening wider to the outside world. The Wuhu port has been approved for opening to foreign vessels, thus further enhancing its investment environment. The tourist industry in Huanshan maintained its momentum of growth, and the total income derived from tourism provincewide surpassed \$10 million last year.

Shandong Establishes Party Schools in Colleges

*SK0602130992 Jinan DAZHONG RIBAO in Chinese
4 Jan 92 p 3*

[Text] Among the 51 regular institutes of higher learning of our province, 48 have established party schools, and the remaining three are making preparations for the establishment. In addition, the four adult schools of higher learning—the Shandong Educational Institute, the Shandong Young Cadres' Institute, the Shandong Coal Educational Institute, and the Weifang Vocational University—have also established party schools.

In general, party secretaries of the institutes of higher learning serve concurrently as presidents of the party schools, and personnel in charge of party affairs and ideological and political work and teachers teaching Marxist and Leninist theories serve as teachers of the party schools. All the party schools have strict study and training plans and rules and regulations.

Full-time and part-time teachers of the party schools have totaled 1,076 so far, and the schools train 12,216 cadres every year.

Central-South Region

Liu Jianfeng Speaks at Tea Party for Intellectuals

HK0502102292 Haikou Hainan People's Radio Network in Mandarin 2300 GMT 27 Jan 92

[Summary from poor reception] On the morning of 27 January, the Hainan Provincial CPC Committee and Government held a spring festival tea party in honor of experts and intellectuals. Provincial Governor Liu Jianfeng attended and addressed the party. He called on intellectuals of the whole province to strengthen their study of Marxist-Leninist works, enhance their conviction in socialism, implement the spirit of Comrade Deng Xiaoping's instructions that science and technology are primary productive forces, follow a down-to-earth manner to do well the work of tackling key scientific and technical issues, run well our educational undertaking, increase our scientific and technical level, and make new contributions in the new year. In the meantime, he also hoped that the vast number of intellectuals would put forth their constructive opinions and proposals to the provincial CPC Committee and provincial government with the aim of improving their work.

In conclusion, Liu Jianfeng stated that in the future the provincial CPC Committee and government would make more investments in science and technology, establish a new foundation of science and technology, and make a bolder step and adopt a more open attitude in importing professional and talented personnel, so that they can serve Hainan's development and construction in a still better way. He pledged to extensively accept the views and proposals put forth by intellectuals, so that the work of the provincial CPC Committee and government can be further improved.

Southwest Region

Yang Rudai Inspects Radio Station

HK0702061592 Chengdu Sichuan People's Radio Network in Mandarin 2300 GMT 28 Jan 92

[Excerpt] Yesterday morning, provincial CPC Secretary Yang Rudai and provincial party Deputy Secretary Nie Ronggui came to our station to inspect work. Comrade Yang Rudai listened to work reports by responsible comrades of the provincial Radio and Television Department and provincial radio station. He fully affirmed our provincial radio station's work this year, and especially its improvement in broadcasting programs. He said: The program of the Sichuan People's Radio Station is good. In particular, its economic items are lively and vivid. Our radio program should serve society and be close to life. We should avoid empty talk and stereotyped verbiage. Our radio program must have a real content so that our audience will like listening to our radio broadcasting.

Comrade Rudai also encouraged our staff and workers to give play to the strong points of radio broadcasting, be a

good mouthpiece of the party, and spread well the people's voice. [passage omitted]

Northwest Region

Yin Kesheng on 1992 Enterprise Priority Tasks

HK0702054492 Xining Qinghai People's Radio Network in Mandarin 2300 GMT 28 Jan 92

[Text] At a Xining Steel Plant workers' representative assembly held 25 January, provincial party Secretary Yin Kesheng put forth three demands on the focal points of enterprise work in the new year. He said: The first focal point of enterprise work is to implement the spirit of the central work meeting and continuously deepen enterprise reforms. To deepen reforms inside enterprises, we should mainly do well the following three jobs: exploiting the existing strong points, overcoming previous defects in systems, adapting themselves to the new situation, and being bold in bringing forth new ideas. None are dispensable. Enterprises must further emancipate their minds and be bold in explorations. In the course of improving the internal contract system, they should actively and steadily do well in dealing with matters connected with labor and personnel and wage system reform. This will truly enable cadres to work both at the top and below, and receive higher and lower wages to thoroughly break with eating from the same big pot, the iron rice bowl, the iron armchair, and the iron-bound wage system; and rationally link productive forces with production factors. We should gradually establish enterprises' [words indistinct] and self-controlled mechanisms to arouse the enthusiasm of staff and workers.

Yin Kesheng continued: Another focal point of enterprise work this year is to strengthen and improve enterprise management to fully increase enterprise quality. He pointed out: It is necessary to establish and perfect a highly effective command system governing production and operations and a management system to fully grasp well the basic management of enterprises. We should persist in the principle of strictly administering the factories and restore and carry forward the traditional work style of the three constant practices and four strictnesses. We should strengthen enterprise management in various aspects to create public opinion, which enables factory managers to boldly administer and deal with matters inside enterprises according to regulations. We should persist in strictly administering factories. This is the trend of the times. We should better our quality, efficiency, and level while improving management.

Yin Kesheng also put forth a specific demand on relying on the working class in enterprise work in the new year and respecting their status as the masters of their enterprises.

Views Drought Fighting Work

HK0702082892 Xining Qinghai People's Radio Network in Mandarin 2300 GMT 29 Jan 92

[Text] Provincial party committee Secretary Yin Kesheng recently stressed in Haidong Prefecture: All areas must brace up to fight drought, overcome difficulties, minimize damage caused by drought, stabilize the mood of the masses, help the masses tide over difficulties, and enable the masses to enjoy a comfortable and joyful Lunar New Year Festival.

Yin Kesheng said: All areas must extensively carry out propaganda and education work; educate the masses to fight drought; make concerted efforts; join hands; persistently push ahead with the drought resistance campaign; minimize damage caused by drought; supervise and examine preparatory work for spring plowing production; ensure sufficient supply of crop strains, chemical fertilizer, and manure; actively improve cultivation methods; make full use of all minor water sources; waste no time in repairing the existing water conservancy facilities; and provide excellent services to spring plowing. The commercial departments, water resources departments, and other departments must closely cooperate with one another in providing quality services.

Yin Kesheng emphatically stated: It is necessary to help the masses solve difficulties in their livelihood before the Lunar New Year Festival and enable the masses to enjoy a happy Lunar New Year Festival. It is necessary to show special concern for poor households, send Lunar New Year greetings to them in advance, do everything possible to help them solve problems in their livelihood, and see to it that each and every peasant household has enough food every day, has meat and dumplings to eat during the Lunar New Year Festival, and spends a happy Lunar New Year Festival.

Jin Jipeng Addresses Government Work Forum

HK0702084292 Xining Qinghai People's Radio Network in Mandarin 2300 GMT 29 Jan 92

[Excerpts] Yesterday morning, the provincial people's government held a forum attended by personages of various democratic parties as well as public figures

without party affiliation, at which it solicited views and proposals on provincial government work.

The forum was presided over by Vice Governor La Bingli, Governor Jin Jipeng and Vice Governors Bainma Dandzin and Ma Yuanbiao attended the forum. [passage omitted]

Governor Jin Jipeng first and foremost gave an account of the development of various provincial undertakings over the past year, expounded on the main work tasks set for this year, and commented on the current international situation. He also briefed the participants on the problems and difficulties encountered in provincial development. [passage omitted]

After conscientiously listening to the speeches made by the participants, the provincial government leaders pledged to continue to strengthen contacts with various democratic parties, frequently listen to their opinions, and further improve provincial government work.

Fifteen Reportedly Executed in Urumqi

HK0602064692 Hong Kong AFP in English 0610 GMT 6 Feb 92

[Text] Beijing, Feb 6 (AFP)—Fifteen persons were executed in the northwestern Chinese city of Urumqi after a public trial, according to a newspaper report.

The XINJIANG LEGAL DAILY of January 25, received here Thursday, said it was the largest number of death sentences passed on the same day by the capital of the Xinjiang autonomous region's intermediate court since 1983.

Four of those executed were accused of murder, one of rape, three of stealing military equipment worth 159,000 yuan (30,000 dollars) and two of stealing money and consumer goods worth 118,000 yuan (21,850 dollars), the daily said.

The remaining five were accused of other thefts.

The report also referred to 29 other people being tried in connection with the same offences but did not specify their sentences.

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